



Modimolle Local Municipality

2015/16 Medium Term Revenue and Expenditure Framework (MTREF)

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Part 1 – INTRODUCTION

Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter –governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the **capital budget** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

Mayor's report to presented separately in council.

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2. COUNCIL RESOLUTIONS

1. The Council of Modimolle Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:
 - 1.1. The budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 30;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 32;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 33; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 36.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 38;
 - 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 40;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 40;
 - 1.2.4. Asset management as contained in Table 22 on page 42; and
 - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 46.
2. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose:
 - 2.1. The tariffs for electricity – as set out in Annexure A
 - 2.2. The tariffs for the supply of water – as set out in Annexure B
 - 2.3. The tariffs for the refuse removal – as set out in Annexure C
 - 2.4. The tariffs for the sanitation – as set out in Annexure D
 - 2.5. The tariffs for the property rates – as set out in Annexure E
3. The Council of Modimolle Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1 July 2015 the tariffs for other services, as set out in Annexure H

4. The Council of Modimolle Local Municipality propose to approve and adopts with effect from 1 July 2015 the following:
 - 4.1. Interest at the rate of 12,65% per annum on all accounts in arrears.
 - 4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.
5. The Council of Modimolle Local Municipality propose to approve and adopts with effect from 1 July 2015 the following free basic services for Indigent consumers per 30-day period:
 - 5.1. 50 kwh of electricity
 - 5.2. 6kl water
 - 5.3. free refuse removal
 - 5.4. sewerage
 - 5.5. property rates.

Indigent consumers will not be liable to pay for municipal services except where they exceed the free basic services provided for by Council.
6. The Council of Modimolle Local Municipality approves and adopts the following budget related policies:
 - 6.1. Policy of debt collection and credit control
 - 6.2. Virement Policy
 - 6.3. Investment Policy
 - 6.4. Asset Management Policy
 - 6.5. Indigent Policy
 - 6.6. Travelling allowance Policy
 - 6.7. Rates Policy
 - 6.8. Petty Cash Policy
 - 6.9. Supply Chain Management Policy

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

Description R thousands	Adjusted Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	256 603	280 621	294 602	311 303
Total Operating Expenditure	307 258	335 762	357 541	379 611
<i>Surplus/(Deficit) for the year</i>	-50 655	-55 141	-62 939	-68 308
Total Capital Expenditure	64 907	31 936	37 464	38 562

Total operating revenue has grown by 6 percent or R24 million for the financial year when compared to the 2014/15 Adjustment Budget. For the two outer years, operational revenue will increase by 5 and 6 percent respectively, equating to a total revenue growth of R30.7 million over the MTREF when compared to the 2015/16 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R335.8 million and translates into a budgeted deficit of R55.1 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has gone up by 9 percent in the 2015/16 budget and grown by 6 and 6 percent for each of the respective outer years of the MTREF.

The capital budget of R31.9 million for 2015/16 is 51 percent less when compared to the 2014/15 Adjustment Budget. The decrease is due to a decrease in appropriations on capital allocations. The capital programme increases to R38,5 million in the 2017/18 financial year. The capital budget for the financial year 2015/16 will be funded from government grants and internal sources.

1. Operating Revenue Framework

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	17 640	19 427	27 774	29 100	30 000	30 000	31 800	33 708	35 393
Property rates - penalties & collection charges									
Service charges - electricity revenue	64 825	70 474	78 217	82 600	85 800	85 800	97 596	107 356	118 091
Service charges - water revenue	24 167	24 858	27 616	37 500	37 500	37 500	41 250	43 725	45 911
Service charges - sanitation revenue	7 395	8 351	10 680	11 000	11 000	11 000	11 660	12 360	12 978
Service charges - refuse revenue	4 905	5 384	6 256	6 900	6 900	6 900	9 804	10 388	11 014
Service charges - other					-	-			
Rental of facilities and equipment	346	173	558	66	223	223	233	246	258
Interest earned - external investments	2 639	2 528	2 712	2 400	2 400	2 400	2 212	2 225	2 336
Interest earned - outstanding debtors	5 141	7 459	9 692	8 800	8 800	8 800	9 328	9 888	10 382
Dividends received					-	-			
Fines	72	96	103	142	142	142	801	801	801
Licences and permits					-	-			
Agency services	3 294	3 907	2 421	3 600	3 625	3 625	3 700	3 900	4 000
Transfers recognised - operational	57 236	62 428	62 232	64 267	64 132	64 132	65 122	62 434	62 211
Other revenue	2 828	5 321	7 636	6 861	6 082	6 082	7 115	7 572	7 927
Gains on disposal of PPE		111							
Total Revenue (excluding capital transfers and contributions)	190 488	210 515	235 897	253 235	256 603	256 603	280 621	294 602	311 303

Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%
Revenue By Source								
Property rates	30 000	12%	31 800	12%	33 708	13%	35 393	14%
Service charges - electricity revenue	85 800	33%	97 596	38%	107 356	42%	118 091	46%
Service charges - water revenue	37 500	15%	41 250	16%	43 725	17%	45 911	18%
Service charges - sanitation revenue	11 000	4%	11 660	5%	12 360	5%	12 978	5%
Service charges - refuse revenue	6 900	3%	9 804	4%	10 388	4%	11 014	4%
Rental of facilities and equipment	223	0%	233	0%	246	0%	258	0%
Interest earned - external investments	2 400	1%	2 212	1%	2 225	1%	2 336	1%
Interest earned - outstanding debtors	8 800	3%	9 328	4%	9 888	4%	10 382	4%
Fines	142	0%	801	0%	801	0%	801	0%
Agency services	3 625	1%	3 700	1%	3 900	2%	4 000	2%
Transfers recognised - operational	64 132	25%	65 122	25%	62 434	24%	62 211	24%
Other revenue	6 082	2%	7 115	3%	7 572	3%	7 927	3%
Total Revenue (excluding capital transfers and contributions)	256 603	100%	280 621	100%	294 602	100%	311 303	100%
Total Revenue from rates and service charges	171 200	67%	192 110	68%	207 536	70%	223 387	72%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 60% of the total revenue mix. In the 2014/15 financial year, revenue from rates and services charges totalled R171.2 million or 67 percent. This increases to R192.1 million, R207.5 million and R223.4 million in the respective financial years of the MTREF.

A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 67 percent in 2014/15 to 72 percent in 2017/18. This growth can be mainly attributed to the increased share that the sale of water contributes to the total revenue mix, which in turn is due to rapid increases in the water tariffs as influenced by bulk water charges.

The Property Rates increase from R30 million to R31.8 million in the 2015/16 financial year.

The Water Service charges increased from R37.5 million to R41.2 million in the 2015/16 financial year. The increase is mainly due to the increase in tariff of 10%.

The above table includes revenue foregone arising from discounts and rebates associated with the policies of the Municipality. Details in this regard are contained in Table 24 MBRR SA1 (see page 47).

Operating grants and transfers totals R64 million in the 2014/15 financial year and steadily decreases to R62 million by 2017/18. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	56 236	60 928	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Local Government Equitable Share	50 098	56 393	57 283	58 643	58 643	58 643	59 775	58 486	57 793
Finance Management	1 795	1 500	1 497	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	1 093	800	890	934	934	934	930	956	1 033
EPWP Incentive	2 093	912	1 000	1 502	1 502	1 502	1 598		
Integrated National Electrification Programme					-	-			
					-	-			
Municipal Infrastructure Grant	1 158	1 323	1 562	1 588	1 588	1 588	1 144	1 182	1 240
Provincial Government:	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant									
District Municipality:	1 000	1 500	-	-	-	-	-	-	-
WDM	1 000	1 500							
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Operating Transfers and Grants	57 236	62 428	62 232	64 267	64 267	64 267	65 122	62 434	62 211

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Magalies Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The

basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. The Municipality have where possible increased the tariffs with between 2% and 6% above the CPI target to close the gap between cost drives and tariffs levied. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 20 percent rebate will be granted on all residential properties (including state owned residential properties);
- 100 percent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40 percent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to R5 700.00 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 6 percent increase from 1 July 2015 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2015/16 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2015)
	Cent	Cent
Residential properties	0.63	0.67
State owned properties	2.38	2.52
Business & Commercial	2.38	2.52
Agricultural	0.16	0.17
Vacant land - Residential	0.63	0.67
Vacant land – Business & Commercial	2.38	2.52
Industrial	2.38	2.52
Mining Property	2.38	2.52
Public benefit organisation properties	0.16	0.17

1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Magalies Water has increased its bulk tariffs with 10 percent from 1 July 2015.

A tariff increase of 10 to 12 percent for Modimolle/Phagameng and 20% to 22% for Vaalwater/Alma from 1 July 2015 for water is proposed. This is based on input cost assumptions of 10 percent increase in the cost of bulk water (Magalies Water), the cost of other inputs increasing by 6 percent.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
RESIDENTIAL:		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R 12.57	R 13.83
- 21 - 30 kl per 30-day period	R 16.93	R 18.96
- 31 kl and above	R 19.98	R 22.38
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period	R 9.58	R 11.50
- 21 -30 kl per 30-day period	R 15.34	R 18.71
- 31 kl and above	R 18.10	R 22.08
BUSINESS:		
Modimolle/Phagameng 0 - 30 kl	R 17.56	R 19.49
> 31 kl		R 22.38
Vaalwater/Alma	R 16.19	R 19.49
> 31 kl		R 22.38
BULK:		
Modimolle/Phagameng	R 16.31	R 18.10
Kokanje Retirement Village	R 14.63	R 16.24
<u>Vaalwater/Alma</u>		
- 0 - 5 kl per 30-day period	R 4.89	R 5.97
- 6 -10 kl per 30-day period	R 7.24	R 8.83
- 11 - 30 kl per 30-day period	R 10.23	R 12.48
- more than 30 kl per 30-day period	R 11.95	R 14.58
MUNICIPAL	R 9.74	R 10.81

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly Consumption kl	Current Amount Payable R	Proposed Amount Payable R	Difference (Increase) R	Percentage Change
Modimolle/Phagameng:				
15	188.55	207.45	18.90	10%
25	336.05	371.40	35.35	11%
35	520.60	578.10	57.50	11%
Vaalwater/Alma				
15	143.70	172.50	28.80	20%
25	268.30	324.80	56.50	21%
35	435.50	529.00	93.50	21%

1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 14.24 percent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the domestic consumer tariff had to be decreased with the introduction of a monthly basic charge. Registered indigents will again be granted 75 kWh per 30-day period free of charge.

The following table shows the impact of the proposed electricity tariffs on the electricity charges for domestic customers (conventional meters):

Table 8 Comparison between current electricity charges and Proposed (Domestic)

Monthly Consumption kWh	Current Amount Payable R	Proposed Amount Payable R	Difference (Increase) R	Percentage Change
50	35.90	40.28	4.38	12%
100	81.34	91.26	9.92	12%
300	263.08	295.18	32.10	12%
500	492.73	552.85	60.12	12%
700	761.51	854.42	92.91	12%

Monthly Consumption kWh	Conventional Meters Payable R	Pre-Paid Meters Payable R	Difference R	Percentage Change
50	40.28	41.55	1.27	3%
100	91.26	95.11	3.85	4%
300	295.18	309.33	14.15	5%
500	552.85	568.34	15.49	3%
700	854.42	869.09	14.67	2%

Basic Charge	84.81	-
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It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality proposed a R84.81 basic charge per month for conventional meters.

1.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 percent for sanitation from 1 July 2015 is proposed. This tariff is based on the size of the property and per kl of consumers Water consumption.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
Modimolle/Phagameng		
Basic		
Size of stand:		
0 - 600 m ²	R 31.68	R 33.58
600 - 1 983 m ²	R 63.67	R 67.49
1 983 - 2 975 m ²	R 84.34	R 89.40
2 975 - 3 966 m ²	R 105.56	R 111.89
3 966 - 4 957 m ²	R 126.50	R 134.09
4 957 - 9 914 m ²	R 147.58	R 156.43
above 9 914 m ² (every 992 m ²)	R 3.54	R 3.75
Per toilet (Minimum with no water consumption)	R 53.61	R 56.83
Per kl of Water Consumptions (40%)	R 0.00	R 7.04
Vaalwater/Alma		
Basic	As above	As above
Per toilet (Minimum with no water consumption)	R 31.28	R 33.16
Per kl of Water Consumptions (40%)	R 0.00	R 7.04
Vacuum tank	R 78.80	R 83.53

1.5 Waste Removal and Impact of Tariff Increases

A 6 percent increase in the waste removal tariff is proposed from 1 July 2015.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 10 Comparison between current waste removal fees and increases

DESCRIPTION	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
Residential:		
Residential 1		
Modimolle	R 79.41	R 84.17
Phagameng	R 79.41	R 84.17
Vaalwater/Alma	R 79.41	R 84.17
Residential 2		
Modimolle		R 673.36
Phagameng		R 673.36
Vaalwater/Alma		R 673.36
Residential 3		
Modimolle		R 1 683.40
Phagameng		R 1 683.40
Vaalwater/Alma		R 1 683.40
Business:		
Modimolle/Phagameng	R 237.82	R 252.09
Vaalwater/Alma	R 237.82	R 252.09

The municipality included a new tariffs structure for the calculation of refuse charges. The new structure is based on the residential classification to include the properties that have more than one household on the property.

1.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 11 MBRR Table 14 - Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	232.90	246.60	264.87	286.06	286.06	286.06	6.0%	303.22	321.42	340.70
Electricity: Basic levy	–	65.25	69.99	75.59	75.59	75.59	12.2%	84.81	93.29	102.62
Electricity: Consumption	1 083.52	1 037.50	1 110.57	1 199.41	1 199.41	1 199.41	12.2%	1 345.75	1 480.33	1 628.36
Water: Basic levy	–									
Water: Consumption	284.30	307.10	356.30	420.70	420.70	420.70	10.8%	466.20	512.82	564.10
Sanitation	135.72	161.25	155.36	191.56	191.56	191.56	(9.2%)	173.88	184.31	195.37
Refuse removal	63.04	68.08	73.53	79.41	79.41	79.41	6.0%	84.17	89.22	94.57
Other	–									
sub-total	1 799.48	1 885.78	2 030.62	2 252.73	2 252.73	2 252.73	9.1%	2 458.03	2 681.39	2 925.73
VAT on Services	219.32	264.01	247.21	275.33	275.33	275.33	9.6%	301.67	330.40	361.90
Total large household bill:	2 018.80	2 149.79	2 277.83	2 528.06	2 528.06	2 528.06	9.2%	2 759.71	3 011.78	3 287.63
% increase/-decrease		6.5%	6.0%	11.0%	–	–	9.2%	9.2%	9.1%	9.2%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	164.90	174.60	187.53	202.53	202.53	202.53	6.0%	214.68	227.57	241.22
Electricity: Basic levy	–	65.25	69.99	75.59	75.59	75.59	12.2%	84.81	93.29	102.62
Electricity: Consumption	453.44	427.50	456.22	492.72	492.72	492.72	12.2%	552.84	608.12	668.94
Water: Basic levy	–									
Water: Consumption	227.05	245.25	284.55	336.05	336.05	336.05	10.5%	371.40	408.54	449.39
Sanitation	67.74	98.72	77.54	85.29	85.29	85.29	61.7%	137.89	146.16	154.93
Refuse removal	63.04	68.08	73.53	79.41	79.41	79.41	6.0%	84.17	89.22	94.57
Other	–									
sub-total	976.17	1 079.40	1 149.36	1 271.59	1 271.59	1 271.59	13.7%	1 445.79	1 572.90	1 711.68
VAT on Services	113.58	151.12	134.66	149.67	149.67	149.67	15.2%	172.36	188.35	205.86
Total small household bill:	1 089.75	1 230.52	1 284.02	1 421.26	1 421.26	1 421.26	13.9%	1 618.15	1 761.25	1 917.54
% increase/-decrease		12.9%	4.3%	10.7%	–	–	13.9%	13.9%	8.8%	8.9%
Monthly Account for Household - 'Indigent'										
Household receiving free basic services										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption	236.50	237.00	265.17	286.38	286.38	286.38	12.2%	321.33	353.46	388.81
Water: Basic levy	–									
Water: Consumption	118.86	128.38	148.96	175.98	175.98	175.98	10.0%	193.62	212.98	234.28
Sanitation	67.74	71.80	77.54	86.29	86.29	86.29	(52.9%)	40.62	43.06	45.64
Refuse removal	63.04	68.08	73.53	79.41	79.41	79.41	6.0%	84.17	89.22	94.57
Other										
sub-total	486.14	505.26	565.20	628.06	628.06	628.06	1.9%	639.74	698.72	763.30
VAT on Services	32.46	70.74	79.13	87.93	87.93	87.93	1.9%	89.56	97.82	106.86
Total small household bill:	518.60	576.00	644.33	715.99	715.99	715.99	1.9%	729.30	796.54	870.17
% increase/-decrease		11.1%	11.9%	11.1%	–	–	1.9%	1.9%	9.2%	9.2%

Criteria used to calculate household bills

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

2. Operating expenditure framework

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure)

Table 12 Summary of operating expenditure by standard classification item

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	63 660	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304
Remuneration of councillors	5 125	5 264	5 980	6 855	6 855	6 855	7 267	7 703	8 088
Debt impairment	3 931	1 164	13 887	10 000	15 000	15 000	15 900	16 854	17 697
Depreciation & asset impairment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Finance charges	2 749	2 783	2 751	3 035	3 417	3 417	3 682	3 831	4 009
Bulk purchases	65 947	67 252	77 382	88 000	87 500	87 500	100 275	108 143	118 549
Other materials	8 096	7 156	8 387	9 720	9 853	9 853	10 988	11 806	12 397
Contracted services	7 959	7 150	9 822	8 355	8 355	8 355	9 024	9 565	10 043
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	30 231	37 338	34 083	37 832	37 581	37 581	37 847	39 611	41 418
Loss on disposal of PPE	409	1 391	3 440						
Total Expenditure	218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611

Circular 71 sets the norm for remuneration cost to the total of operating expenditure to be between 24% and 40% with remuneration classified as Employee Related Cost and Councillors Remuneration. The municipality is currently at 37%.

The budgeted allocation for employee related costs for the 2015/16 financial year totals R118.3 million, which equals 35 percent of the total operating expenditure. The overtime budget equals 4 percent of employee related costs. This is because of aging infrastructure and the expanding of services placing more pressure on our networks. The three year collective SALGBC agreement lapsed on the 30 June 2014. The new agreement have not been finalized for the 2015/16 financial year. The salary increases have been factored into this budget at a percentage increase of 7 percent for the 2015/16 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R32.4 million for the 2015/16 financial and equates to 10 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing

a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and finance cost related to provisions. Finance charges make up 1 per cent (R3.7 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Magalies Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repair and Maintenance consist of other material and employee related cost to the amount of R37.9 million and equals 11% of the operating budget. Other materials is R11 million and employee related cost is R26.9 million.

3. Cash flow

Description R thousands	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash flows									
Net cash from (used) operating	41 220	42 709	41 436	43 577	30 919	30 919	32 239	34 884	33 663
Net cash from (used) investing	(13 289)	(41 399)	(58 017)	(30 958)	(48 680)	(48 680)	(31 936)	(37 464)	(38 562)
Net cash from (used) financing	3 495	(689)	(4 770)	620	620	620	(1 325)	(199)	(48)
Cash/cash equivalents at the year end	61 239	61 859	34 769	48 927	17 628	17 628	16 606	13 828	8 881

The cash flow budget was calculated using the following assumptions:

Cash flow from Operating Activities

Receipts:

- Consumer Debtors Collection Rate 95%
- Interest on Outstanding Debtors 30%
- All Other Revenue 100%

Payments

- Suppliers and Employees (excl. Non-Cash) 96%
- Finance Charges (excl. Non-Cash) 100%

Cash flow from Investing Activities

- Capital Assets 100%

Cash flow from Financing Activities

- Repayment of Borrowings as per payment schedule

This assumptions result in a net cash from operating activities of R32.2 million, net cash used from investing activities of R31.9 million and net cash used from financing activities of R1.3 million. The Municipality is budgeting for a net decrease in cash held of R1million for the 2015/16 financial year that will increase to R4.9 million in the 2017/18 financial year.

4. Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2014/15 Medium-term capital budget per vote

Vote Description R thousand	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Vote1 - Executive & Council	750	1%		0%	–	0%	–	0%
Vote2 - Financial Services	161	0%	30	0%	–	0%	–	0%
Vote3 - Corporate Services	6 069	9%	25	0%	–	0%	–	0%
Vote4 - Social Services	469	1%	150	0%	–	0%	–	0%
Vote5 - Technical Services	57 343	88%	31 731	99%	37 464	100%	38 562	100%
Vote 6 - Planning and Development	116	0%		0%	–	0%	–	0%
Total Capital Budget	64 907	100%	31 936	100%	37 464	100%	38 562	100%

For 2015/16 an amount of R31.7 million has been appropriated for the development of infrastructure which represents 99 percent of the total capital budget. In the outer years this amount totals R37.4 million and R38.6 million respectively for each of the financial years.

Total new assets represent 32 percent or R10.2 million of the total capital budget while asset renewal equates to 68 percent or R21.7 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 42. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 80, 81 and 82).

4. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A10 constitutes the Municipalities budget for the 2015/16 financial year and indicative allocations for the 2016/17 and 2017/18 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

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Table 14 MBRR Table A1 - Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	17 640	19 427	27 774	29 100	30 000	30 000	31 800	33 708	35 393
Service charges	101 292	109 066	122 769	138 000	141 200	141 200	160 310	173 828	187 994
Investment revenue	2 639	2 528	2 712	2 400	2 400	2 400	2 212	2 225	2 336
Transfers recognised - operational	57 236	62 428	62 232	64 267	64 132	64 132	65 122	62 434	62 211
Other own revenue	11 681	17 066	20 410	19 468	18 871	18 871	21 177	22 406	23 369
Total Revenue (excluding capital transfers and contributions)	190 488	210 515	235 897	253 235	256 603	256 603	280 621	294 602	311 303
Employee costs	63 660	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304
Remuneration of councillors	5 125	5 264	5 980	6 855	6 855	6 855	7 267	7 703	8 088
Depreciation & asset impairment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Finance charges	2 749	2 783	2 751	3 035	3 417	3 417	3 682	3 831	4 009
Materials and bulk purchases	74 043	74 408	85 769	97 720	97 353	97 353	111 263	119 949	130 946
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	42 530	47 043	61 232	56 187	60 936	60 936	62 771	66 030	69 158
Total Expenditure	218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611
Surplus/(Deficit)	(27 997)	(12 692)	(58 574)	(43 009)	(50 655)	(50 655)	(55 141)	(62 939)	(68 309)
Transfers recognised - capital	26 815	37 642	43 575	35 776	59 210	59 210	31 731	37 464	38 562
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Capital expenditure & funds sources									
Capital expenditure	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562
Transfers recognised - capital	24 425	34 301	40 052	35 776	59 210	59 210	31 731	37 464	38 562
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	1 138	217	3 604	5 531	5 698	5 698	205	–	–
Total sources of capital funds	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562
Financial position									
Total current assets	114 069	136 809	138 248	133 391	137 349	137 349	117 183	110 860	102 364
Total non current assets	811 314	834 233	893 554	863 807	928 039	928 039	924 656	927 735	930 195
Total current liabilities	71 724	81 048	91 553	55 933	84 352	84 352	66 725	65 699	65 648
Total non current liabilities	29 896	33 502	49 294	36 982	57 482	57 482	63 277	69 689	77 076
Community wealth/Equity	823 764	856 492	890 954	904 283	923 554	923 554	911 837	903 208	889 835
Cash flows									
Net cash from (used) operating	41 220	42 709	41 436	43 577	30 919	30 919	32 239	34 884	33 663
Net cash from (used) investing	(13 289)	(41 399)	(58 017)	(30 958)	(48 680)	(48 680)	(31 936)	(37 464)	(38 562)
Net cash from (used) financing	3 495	(689)	(4 770)	620	620	620	(1 325)	(199)	(48)
Cash/cash equivalents at the year end	61 239	61 859	34 769	48 927	17 628	17 628	16 606	13 828	8 881
Cash backing/surplus reconciliation									
Cash and investments available	58 389	59 342	38 487	31 900	33 400	33 400	16 726	13 950	9 006
Application of cash and investments	7 306	(3 455)	(26 490)	(17 027)	(4 496)	(4 496)	(51 107)	(48 593)	(45 378)
Balance - surplus (shortfall)	51 083	62 796	64 977	48 927	37 896	37 896	67 833	62 543	54 384
Asset management									
Asset register summary (WDV)	809 165	831 611	890 735	863 807	925 039	925 039	924 536	927 613	930 070
Depreciation & asset impairment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Renewal of Existing Assets	17 887	21 835	35 083	33 117	55 039	55 039	21 731	13 964	36 562
Repairs and Maintenance	8 096	21 172	31 610	34 310	34 442	34 442	37 900	40 333	41 804
Free services									
Cost of Free Basic Services provided	–	–	–	–	6 655	6 655	–	–	–
Revenue cost of free services provided	9 929	10 044	10 289	16 500	16 500	16 500	16 316	17 400	18 425
Households below minimum service level									
Water:	–	–	–	–	–	–	3	1	1
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
<i>Governance and administration</i>	58 078	65 334	77 136	77 188	78 516	78 516	81 309	83 290	85 630
Executive and council	24 378	28 029	9 233	9 671	9 871	9 871	10 209	10 242	10 334
Budget and treasury office	32 312	36 502	67 077	66 995	67 995	67 995	70 473	72 349	74 567
Corporate services	1 387	804	826	522	650	650	627	699	729
<i>Community and public safety</i>	1 826	5 045	5 691	2 372	5 405	5 405	3 968	4 164	4 339
Community and social services	341	2 984	1 372	262	392	392	294	309	324
Sport and recreation	8	361	2 395	16	2 894	2 894	7	7	7
Public safety	1 476	1 699	1 923	2 094	2 119	2 119	3 667	3 848	4 008
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	10 728	20 858	29 486	10 114	28 097	28 097	5 033	27 741	29 003
Planning and development	1 570	1 610	2 175	1 827	1 747	1 747	1 330	1 374	1 437
Road transport	9 159	19 248	27 311	8 287	26 350	26 350	3 703	26 367	27 565
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	146 671	156 920	167 160	199 337	203 795	203 795	222 042	216 871	230 893
Electricity	76 359	90 602	107 057	101 729	103 929	103 929	121 100	135 827	146 611
Water	42 670	32 097	33 871	43 928	48 543	48 543	47 777	50 112	52 222
Waste water management	18 460	25 468	16 477	42 721	38 915	38 915	39 156	17 994	18 526
Waste management	9 182	8 754	9 754	10 959	12 409	12 409	14 008	12 938	13 533
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	217 303	248 157	279 473	289 011	315 813	315 813	312 352	332 066	349 865
Expenditure - Standard									
<i>Governance and administration</i>	48 866	44 088	74 781	68 215	75 608	75 608	80 913	85 152	89 229
Executive and council	22 208	16 626	40 296	30 250	37 652	37 652	40 584	43 034	45 167
Budget and treasury office	12 614	15 394	18 864	19 228	20 364	20 364	21 947	22 645	23 620
Corporate services	14 044	12 068	15 621	18 737	17 593	17 593	18 382	19 473	20 442
<i>Community and public safety</i>	21 968	20 381	26 804	30 156	31 091	31 091	33 539	35 864	37 682
Community and social services	13 777	11 409	14 105	16 436	16 117	16 117	18 025	19 193	20 156
Sport and recreation	4 094	4 477	7 445	7 474	7 893	7 893	7 922	8 603	9 038
Public safety	4 097	4 495	5 254	6 246	7 080	7 080	7 592	8 068	8 488
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	24 750	28 213	36 987	38 007	38 608	38 608	41 483	44 030	46 233
Planning and development	5 445	7 214	8 349	10 324	10 332	10 332	12 336	13 115	13 771
Road transport	19 305	20 998	28 638	27 684	28 275	28 275	29 147	30 915	32 461
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	122 902	130 525	155 899	159 865	161 951	161 951	179 826	192 496	206 467
Electricity	77 900	87 224	91 881	102 505	104 873	104 873	118 602	127 564	138 937
Water	25 931	25 649	32 778	34 645	33 230	33 230	35 284	37 401	39 271
Waste water management	7 345	7 420	13 530	9 518	10 100	10 100	10 400	10 969	10 835
Waste management	11 725	10 232	17 711	13 198	13 748	13 748	15 540	16 562	17 424
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611
Surplus/(Deficit) for the year	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water, Waste Management and Waste water function in the 2015/16 to 2017/18 financial year.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - EXECUTIVE AND COUNCIL	24 378	28 029	9 233	9 671	9 871	9 871	10 209	10 242	10 334
Vote 2 - BUDGET AND TREASURY	32 312	36 502	67 077	66 995	67 995	67 995	70 473	72 349	74 567
Vote 3 - SOCIAL SERVICES	14 318	17 717	17 867	16 940	21 423	21 423	21 680	21 005	21 876
Vote 4 - CORPORATE SERVICES	1 059	790	356	479	479	479	452	514	535
Vote 5 - TECHNICAL SERVICES	144 879	164 876	184 777	194 717	215 916	215 916	209 352	227 764	242 356
Vote 6 - PLANNING AND DEVELOPMENT	357	244	163	208	128	128	186	192	197
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	217 303	248 157	279 473	289 011	315 813	315 813	312 352	332 066	349 865
Expenditure by Vote to be appropriated									
Vote 1 - EXECUTIVE AND COUNCIL	22 208	16 626	40 296	30 250	37 652	37 652	40 584	43 034	45 167
Vote 2 - BUDGET AND TREASURY	12 614	15 394	18 864	19 228	20 364	20 364	21 947	22 645	23 620
Vote 3 - SOCIAL SERVICES	36 236	33 744	48 522	47 982	49 613	49 613	53 997	57 658	60 601
Vote 4 - CORPORATE SERVICES	13 872	12 001	15 551	18 596	17 451	17 451	18 235	19 317	20 279
Vote 5 - TECHNICAL SERVICES	129 252	139 675	164 450	171 453	173 434	173 434	190 279	203 487	217 973
Vote 6 - PLANNING AND DEVELOPMENT	4 302	5 767	6 789	8 736	8 744	8 744	10 718	11 400	11 971
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611
Surplus/(Deficit) for the year	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 17 MBRR Table A4 - Budgeted Financial Performance

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	17 640	19 427	27 774	29 100	30 000	30 000	31 800	33 708	35 393
Property rates - penalties & collection charges									
Service charges - electricity revenue	64 825	70 474	78 217	82 600	85 800	85 800	97 596	107 356	118 091
Service charges - water revenue	24 167	24 858	27 616	37 500	37 500	37 500	41 250	43 725	45 911
Service charges - sanitation revenue	7 395	8 351	10 680	11 000	11 000	11 000	11 660	12 360	12 978
Service charges - refuse revenue	4 905	5 384	6 256	6 900	6 900	6 900	9 804	10 388	11 014
Service charges - other									
Rental of facilities and equipment	346	173	558	66	223	223	233	246	258
Interest earned - external investments	2 639	2 528	2 712	2 400	2 400	2 400	2 212	2 225	2 336
Interest earned - outstanding debtors	5 141	7 459	9 692	8 800	8 800	8 800	9 328	9 888	10 382
Dividends received									
Fines	72	96	103	142	142	142	801	801	801
Licences and permits									
Agency services	3 294	3 907	2 421	3 600	3 625	3 625	3 700	3 900	4 000
Transfers recognised - operational	57 236	62 428	62 232	64 267	64 132	64 132	65 122	62 434	62 211
Other revenue	2 828	5 321	7 636	6 861	6 082	6 082	7 115	7 572	7 927
Gains on disposal of PPE		111							
Total Revenue (excluding capital transfers and contributions)	190 488	210 515	235 897	253 235	256 603	256 603	280 621	294 602	311 303
Expenditure By Type									
Employee related costs	63 660	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304
Remuneration of councillors	5 125	5 264	5 980	6 855	6 855	6 855	7 267	7 703	8 088
Debt impairment	3 931	1 164	13 887	10 000	15 000	15 000	15 900	16 854	17 697
Depreciation & asset impairment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Finance charges	2 749	2 783	2 751	3 035	3 417	3 417	3 682	3 831	4 009
Bulk purchases	65 947	67 252	77 382	88 000	87 500	87 500	100 275	108 143	118 549
Other materials	8 096	7 156	8 387	9 720	9 853	9 853	10 988	11 806	12 397
Contracted services	7 959	7 150	9 822	8 355	8 355	8 355	9 024	9 565	10 043
Transfers and grants									
Other expenditure	30 231	37 338	34 083	37 832	37 581	37 581	37 847	39 611	41 418
Loss on disposal of PPE	409	1 391	3 440						
Total Expenditure	218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611
Surplus/(Deficit)	(27 997)	(12 692)	(58 574)	(43 009)	(50 655)	(50 655)	(55 141)	(62 939)	(68 309)
Transfers recognised - capital	26 815	37 642	43 575	35 776	59 210	59 210	31 731	37 464	38 562
Contributions recognised - capital									
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Taxation									
Surplus/(Deficit) after taxation	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R280.6 million in 2015/16 and escalates to R311.3 million by 2017/18. This represents a year-on-year increase of 9 percent for the 2015/16 financial year and 6 percent for the 2017/18 financial year.
2. Revenue to be generated from property rates is R31.8 million in the 2015/16 financial year and increases to R35.4 million by 2017/18 which represents 11 percent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R160.3 million for the 2015/16 financial year and increasing to R188 million by 2017/18. For the 2015/16 financial year services charges amount to 57 percent of the total revenue base and grows by 3 percent per annum over the medium-term.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing by 4 percent for the two outer years. The percentage share of this revenue source declines due to the phasing in of the new equitable share formula from 2013/14.
5. The following graph illustrates the major expenditure items per type.

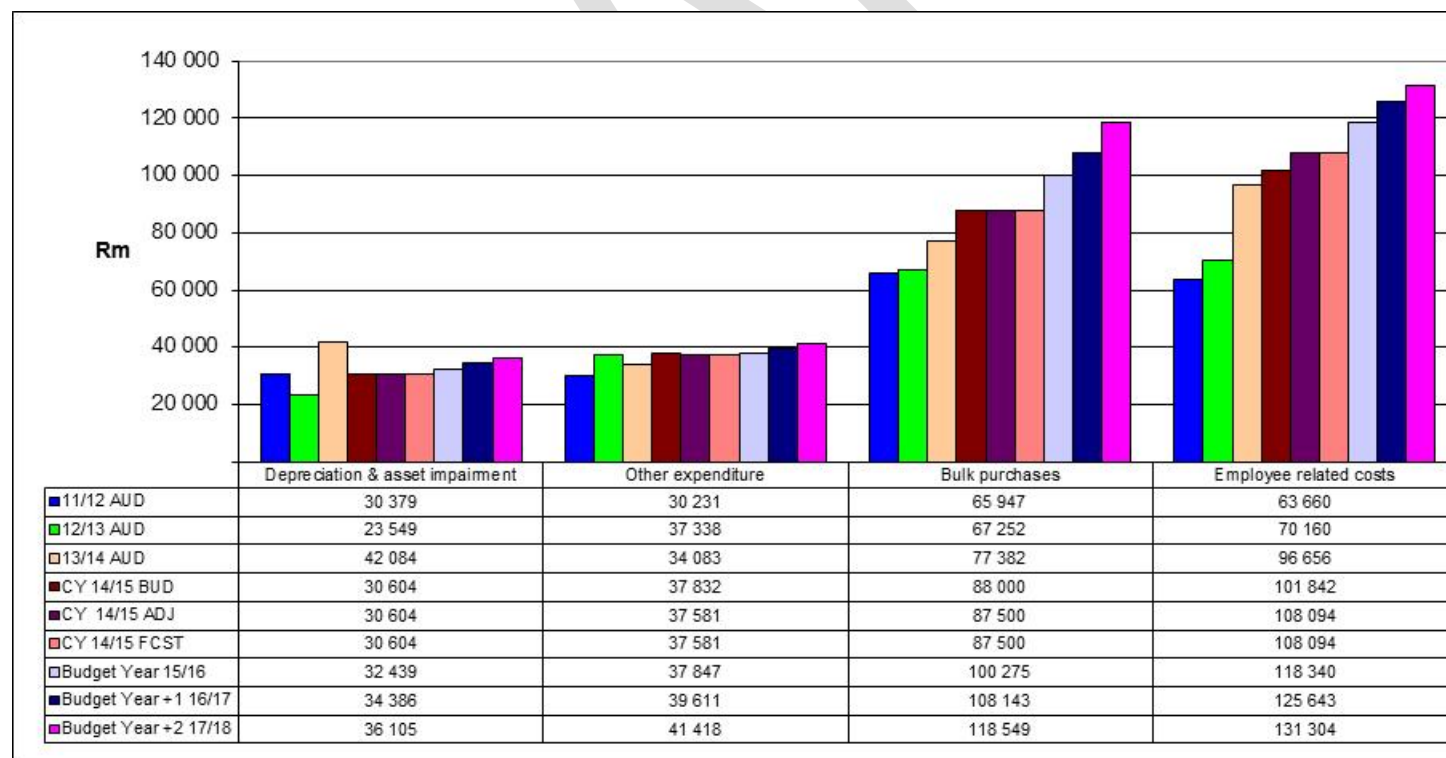


Figure 1 Expenditure by major type

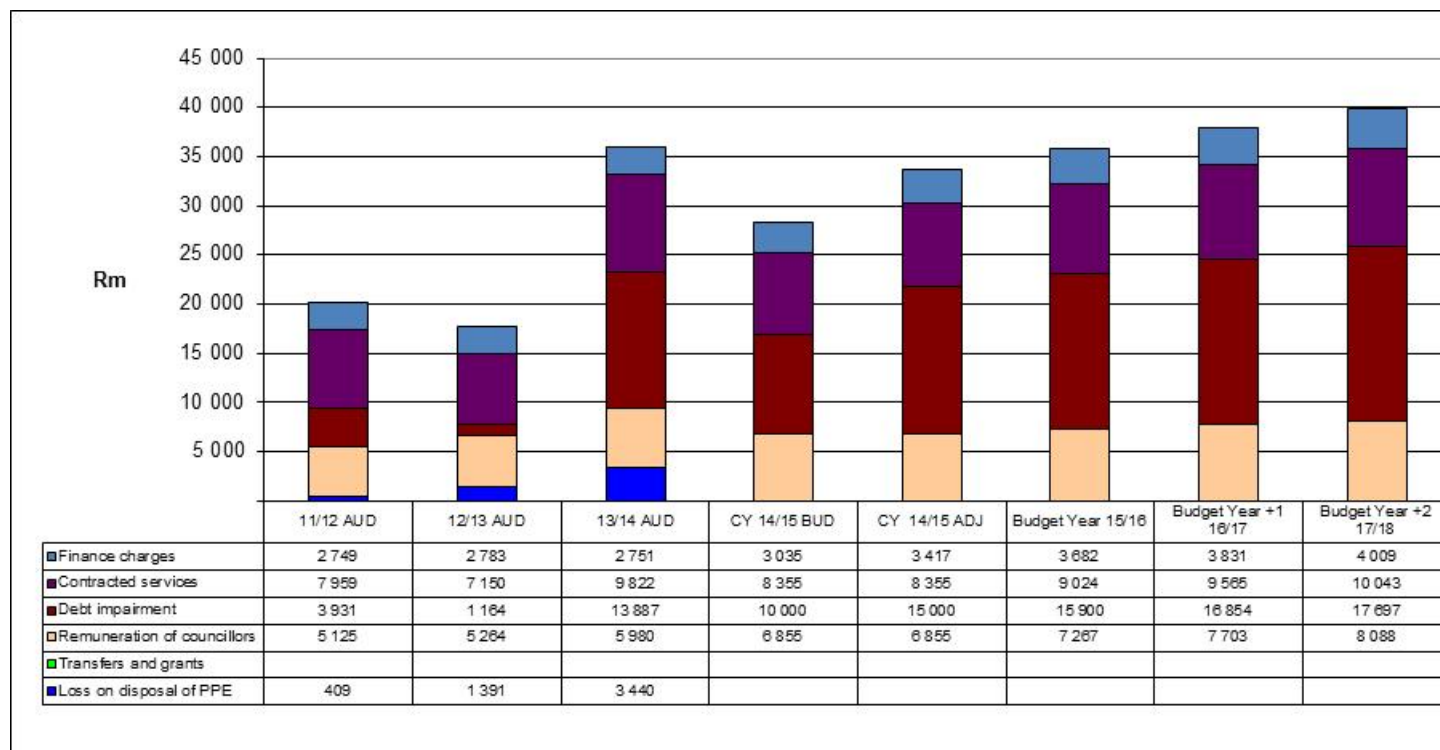


Figure 2 Expenditure by minor type

6. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R65.9 million to R118.5 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Magalies Water board.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
Vote 3 - SOCIAL SERVICES	148	745	2 662	-	4 428	4 428	-	-	-
Vote 4 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES	22 082	11 803	30 358	33 992	51 513	51 513	31 731	16 464	31 562
Vote 6 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	22 230	12 548	33 020	33 992	55 941	55 941	31 731	16 464	31 562
Single-year expenditure to be appropriated									
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	750	750	750	-	-	-
Vote 2 - BUDGET AND TREASURY	-	11	47	-	161	161	30	-	-
Vote 3 - SOCIAL SERVICES	11	2 201	584	1 685	1 641	1 641	150	-	-
Vote 4 - CORPORATE SERVICES	-	-	84	420	469	469	25	-	-
Vote 5 - TECHNICAL SERVICES	3 322	19 759	9 921	4 380	5 830	5 830	-	21 000	7 000
Vote 6 - PLANNING AND DEVELOPMENT	-	-	-	80	116	116	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	3 333	21 970	10 635	7 315	8 967	8 967	205	21 000	7 000
Total Capital Expenditure - Vote	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562
Capital Expenditure - Standard									
<i>Governance and administration</i>	-	11	131	1 170	1 380	1 380	55	-	-
Executive and council	-	-	-	750	750	750	-	-	-
Budget and treasury office	-	11	47	-	161	161	30	-	-
Corporate services	-	-	84	420	469	469	25	-	-
<i>Community and public safety</i>	159	2 945	2 234	1 465	4 443	4 443	150	-	-
Community and social services	148	2 555	785	785	885	885	-	-	-
Sport and recreation	11	391	2 221	355	3 233	3 233	150	-	-
Public safety	-	-	14	325	325	325	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	6 230	13 928	23 881	6 584	24 783	24 783	-	9 964	21 562
Planning and development	55	35	1 347	110	146	146	-	-	-
Road transport	6 175	13 893	22 534	6 474	24 637	24 637	-	9 964	21 562
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	19 174	17 634	17 410	32 087	34 302	34 302	31 731	27 500	17 000
Electricity	1 298	6 329	17 065	5 500	5 500	5 500	10 000	15 000	15 000
Water	12 320	1 003	27	300	4 915	4 915	-	500	-
Waste water management	5 556	10 302	258	26 067	22 261	22 261	21 731	12 000	2 000
Waste management	-	-	60	220	1 626	1 626	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562
Funded by:									
National Government	24 414	34 301	40 052	35 776	59 210	59 210	31 731	37 464	38 562
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	11	-	-	-	-	-	-	-	-
Transfers recognised - capital	24 425	34 301	40 052	35 776	59 210	59 210	31 731	37 464	38 562
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1 138	217	3 604	5 531	5 698	5 698	205	-	-
Total Capital Funding	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2015/16 R31.7 million has been allocated of the total R31.9 million capital budget, which totals 99 percent. This allocation decreases to R16.5 million in 2016/17 and increase to R31.7 million in 2017/18.
3. Single-year capital expenditure has been appropriated at R0.2 million for the 2015/16 financial year and increases for the 2016/17 year to R21 million and decreases to R7 million for the 2017/18 year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from grants and transfers and internal revenue. For 2015/16, capital transfers totals R31.7million (99 percent) and increases to R38.6 million by 2017/18 (100 percent). The increase is due to the fact that the Municipal Infrastructure Grant allocation increases from R22.9 million for the 2015/16 financial year to R24.8 million in the 2017/18 financial year. The internal funded project totals R0.2 million for the 2015/16 financial year.

Table 19 MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Current assets									
Cash	55 499	25 290	6 921	10 000	10 000	10 000	10 706	6 928	981
Call investment deposits	900	31 730	28 748	21 900	20 400	20 400	5 900	6 900	7 900
Consumer debtors	39 259	68 167	85 638	87 171	92 629	92 629	91 247	88 192	85 133
Other debtors	11 899	5 524	10 239	8 000	8 000	8 000	3 000	2 500	2 000
Current portion of long-term receivables			316	320	320	320	330	340	350
Inventory	6 512	6 098	6 386	6 000	6 000	6 000	6 000	6 000	6 000
Total current assets	114 069	136 809	138 248	133 391	137 349	137 349	117 183	110 860	102 364
Non current assets									
Long-term receivables	159	299	–		–	–			
Investments	1 990	2 322	2 819		3 000	3 000	120	122	125
Investment property			5 575		5 575	5 575	5 575	5 575	5 575
Investment in Associate					–	–			
Property, plant and equipment	806 667	829 114	882 662	861 309	916 966	916 966	916 463	919 541	921 997
Agricultural					–	–			
Biological					–	–			
Intangible	2 497	2 497	2 497	2 497	2 497	2 497	2 497	2 497	2 497
Other non-current assets	–	–			–	–			
Total non current assets	811 314	834 233	893 554	863 807	928 039	928 039	924 656	927 735	930 195
TOTAL ASSETS	925 384	971 042	1 031 801	997 197	1 065 388	1 065 388	1 041 839	1 038 595	1 032 559
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	1 353	1 663	1 226	1 833	1 833	1 833	1 425	299	148
Consumer deposits	2 809	3 027	3 668	4 100	4 100	4 100	4 100	4 100	4 100
Trade and other payables	67 562	76 359	85 755	50 000	77 290	77 290	60 000	60 000	60 000
Provisions			904		1 128	1 128	1 200	1 300	1 400
Total current liabilities	71 724	81 048	91 553	55 933	84 352	84 352	66 725	65 699	65 648
Non current liabilities									
Borrowing	5 521	5 018	1 509	982	982	982	557	259	111
Provisions	24 375	28 484	47 785	36 000	56 500	56 500	62 720	69 430	76 965
Total non current liabilities	29 896	33 502	49 294	36 982	57 482	57 482	63 277	69 689	77 076
TOTAL LIABILITIES	101 619	114 550	140 847	92 915	141 834	141 834	130 002	135 387	142 724
NET ASSETS	823 764	856 492	890 954	904 283	923 554	923 554	911 837	903 208	889 835
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	823 281	856 008	890 471	903 800	923 071	923 071	911 354	902 725	889 352
Reserves	483	483	483	483	483	483	483	483	483
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	823 764	856 492	890 954	904 283	923 554	923 554	911 837	903 208	889 835

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 26 is supported by an extensive table of notes (SA3 which can be found on page 48) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flows

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	15 262	16 754	18 166				30 210	32 360	33 978
Service charges	90 739	89 206	107 846				153 912	168 298	182 039
Other revenue	7 231	9 386	32 818	159 991	163 144	163 144	11 837	12 509	12 976
Government - operating	87 295	62 428	62 232	64 297	64 162	64 162	65 122	62 434	62 211
Government - capital	-	45 979	43 162	35 746	35 881	35 881	31 731	37 464	38 562
Interest	7 780	9 987	9 692	9 200	9 200	9 200	5 010	5 191	5 451
Dividends							-	-	-
Payments									
Suppliers and employees	(164 338)	(188 315)	(231 895)	(225 122)	(241 050)	(241 050)	(265 081)	(282 912)	(301 084)
Finance charges	(2 749)	(2 717)	(585)	(535)	(417)	(417)	(502)	(460)	(470)
Transfers and Grants							-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	41 220	42 709	41 436	43 577	30 919	30 919	32 239	34 884	33 663
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(25 241)	1 272	8 793				-	-	-
Decrease (Increase) in non-current debtors							-	-	-
Decrease (increase) other non-current receivables		(140)					-	-	-
Decrease (increase) in non-current investments	11 952	(332)	(485)				-	-	-
Payments									
Capital assets	-	(42 198)	(66 325)	(30 958)	(48 680)	(48 680)	(31 936)	(37 464)	(38 562)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(13 289)	(41 399)	(58 017)	(30 958)	(48 680)	(48 680)	(31 936)	(37 464)	(38 562)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing							-	-	-
Increase (decrease) in consumer deposits				1 150	1 150	1 150	100	100	100
Payments									
Repayment of borrowing	3 495	(689)	(4 770)	(530)	(530)	(530)	(1 425)	(299)	(148)
NET CASH FROM/(USED) FINANCING ACTIVITIES	3 495	(689)	(4 770)	620	620	620	(1 325)	(199)	(48)
NET INCREASE/ (DECREASE) IN CASH HELD	31 425	621	(21 351)	13 240	(17 141)	(17 141)	(1 022)	(2 779)	(4 947)
Cash/cash equivalents at the year begin:	29 813	61 239	56 120	35 687	34 769	34 769	17 628	16 606	13 828
Cash/cash equivalents at the year end:	61 239	61 859	34 769	48 927	17 628	17 628	16 606	13 828	8 881

Table 21 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	61 239	61 859	34 769	48 927	17 628	17 628	16 606	13 828	8 881
Other current investments > 90 days	(4 840)	(4 840)	900	(17 027)	12 772	12 772	0	0	0
Non current assets - Investments	1 990	2 322	2 819	-	3 000	3 000	120	122	125
Cash and investments available:	58 389	59 342	38 487	31 900	33 400	33 400	16 726	13 950	9 006
Application of cash and investments									
Unspent conditional transfers	14 501	23 876	23 468	8 936	16 227	16 227	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements				19 000	19 000	19 000			
Other working capital requirements	(7 195)	(27 331)	(52 662)	(55 550)	(50 309)	(50 309)	(51 590)	(49 076)	(45 861)
Other provisions				7 420	7 420	7 420			
Long term investments committed	-	-	2 705	2 684	2 684	2 684	-	-	-
Reserves to be backed by cash/investments				483	483	483	483	483	483
Total Application of cash and investments:	7 306	(3 455)	(26 490)	(17 027)	(4 496)	(4 496)	(51 107)	(48 593)	(45 378)
Surplus(shortfall)	51 083	62 796	64 977	48 927	37 896	37 896	67 833	62 543	54 384

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R16.6 million as at the end of the 2015/16 financial year and decreases to R8.9 million by 2017/18.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 22 MBRR Table A9 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	7 676	12 683	8 573	8 190	9 869	9 869	10 205	23 500	2 000
Infrastructure - Road transport	6 175	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 286	5 385	7 436	5 500	5 500	5 500	10 000	11 000	-
Infrastructure - Water	-	-	-	-	-	-	-	500	-
Infrastructure - Sanitation	-	7 035	-	-	-	-	-	12 000	2 000
Infrastructure - Other	-	-	-	-	1 450	1 450	-	-	-
Infrastructure	7 461	12 420	7 436	5 500	6 950	6 950	10 000	23 500	2 000
Community	148	97	450	-	100	100	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	67	166	688	2 690	2 819	2 819	205	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	17 887	21 835	35 083	33 117	55 039	55 039	21 731	13 964	36 562
Infrastructure - Road transport	-	13 893	22 534	5 624	23 687	23 687	-	9 964	21 562
Infrastructure - Electricity	-	943	9 629	-	-	-	-	4 000	15 000
Infrastructure - Water	12 320	950	-	300	4 915	4 915	-	-	-
Infrastructure - Sanitation	5 556	3 267	258	26 067	22 261	22 261	21 731	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	17 876	19 053	32 421	31 992	50 863	50 863	21 731	13 964	36 562
Community	11	2 782	2 662	695	3 573	3 573	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	430	603	603	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>									
Infrastructure - Road transport	6 175	13 893	22 534	5 624	23 687	23 687	-	9 964	21 562
Infrastructure - Electricity	1 286	6 329	17 065	5 500	5 500	5 500	10 000	15 000	15 000
Infrastructure - Water	12 320	950	-	300	4 915	4 915	-	500	-
Infrastructure - Sanitation	5 556	10 302	258	26 067	22 261	22 261	21 731	12 000	2 000
Infrastructure - Other	-	-	-	-	1 450	1 450	-	-	-
Infrastructure	25 338	31 473	39 857	37 492	57 813	57 813	31 731	37 464	38 562
Community	159	2 879	3 111	695	3 673	3 673	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	67	166	688	3 120	3 422	3 422	205	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	138 905	157 386	183 550	503 380	197 600	197 600	188 833	187 968	198 159
Infrastructure - Electricity	68 122	70 829	84 535	90 648	87 045	87 045	93 876	105 516	116 989
Infrastructure - Water	79 966	92 313	85 917	85 933	85 077	85 077	78 976	73 010	66 220
Infrastructure - Sanitation	75 591	83 268	76 750	115 264	96 077	96 077	114 698	123 401	121 940
Infrastructure - Other	19 392	1 993	9 266	-	1 450	1 450	-	-	-
Infrastructure	381 976	405 789	440 019	795 224	467 249	467 249	476 384	489 896	503 308
Community	411 991	409 995	425 301	59 530	432 790	432 790	427 013	420 889	414 459
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	5 575	-	5 575	5 575	5 575	5 575	5 575
Other assets	12 701	13 330	17 342	6 555	16 928	16 928	13 067	8 756	4 230
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	2 497	2 497	2 497	2 497	2 497	2 497	2 497	2 497	2 497
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	809 165	831 611	890 735	863 807	925 039	925 039	924 536	927 613	930 070
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
<u>Repairs and Maintenance by Asset Class</u>	8 096	21 172	31 610	34 310	34 442	34 442	37 900	40 333	41 804
Infrastructure - Road transport	1 602	5 037	8 597	8 869	8 869	8 869	9 467	10 035	10 537
Infrastructure - Electricity	1 256	5 011	7 152	8 200	8 200	8 200	9 206	9 758	10 246
Infrastructure - Water	2 560	7 465	10 442	11 105	10 905	10 905	11 578	12 272	12 886
Infrastructure - Sanitation	508	2 690	3 662	3 516	3 516	3 516	4 077	4 322	3 992
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	5 926	20 204	29 853	31 689	31 489	31 489	34 328	36 387	37 661
Community	261	224	140	398	338	338	273	448	471
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 909	744	1 616	2 223	2 615	2 615	3 299	3 497	3 672
TOTAL EXPENDITURE OTHER ITEMS	38 475	44 721	73 694	64 914	65 046	65 046	70 339	74 719	77 909
<i>Renewal of Existing Assets as % of total capex</i>	70.0%	63.3%	80.4%	80.2%	84.8%	84.8%	68.0%	37.3%	94.8%
<i>Renewal of Existing Assets as % of deprech"</i>	58.9%	92.7%	83.4%	108.2%	179.8%	179.8%	67.0%	40.6%	101.3%
<i>R&M as a % of PPE</i>	1.0%	2.6%	3.6%	4.0%	3.8%	3.8%	4.1%	4.4%	4.5%
<i>Renewal and R&M as a % of PPE</i>	3.0%	5.0%	7.0%	8.0%	10.0%	10.0%	6.0%	6.0%	8.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- The Municipality unbundled its infrastructure assets in the 2010 and 2011 financial year. This resulted in an increase in the PPE value from R235 million to R835 million. The municipality take note of the National Treasury Circular No. 55 that Repair and Maintenance

must be at least 8% of the PPE value but this can not be done in 5 financial years. The repair and maintenance for 2015/16 is 4.1% of PPE and increase to 4.5% in the 2017/18 financial year.

3. The repair and maintenance plus renewal capital budget percentage increased from the 2011/12 financial year. In the 2011/12 financial year it was 3% of PPE and increase to 6% in the 2015/16 financial.

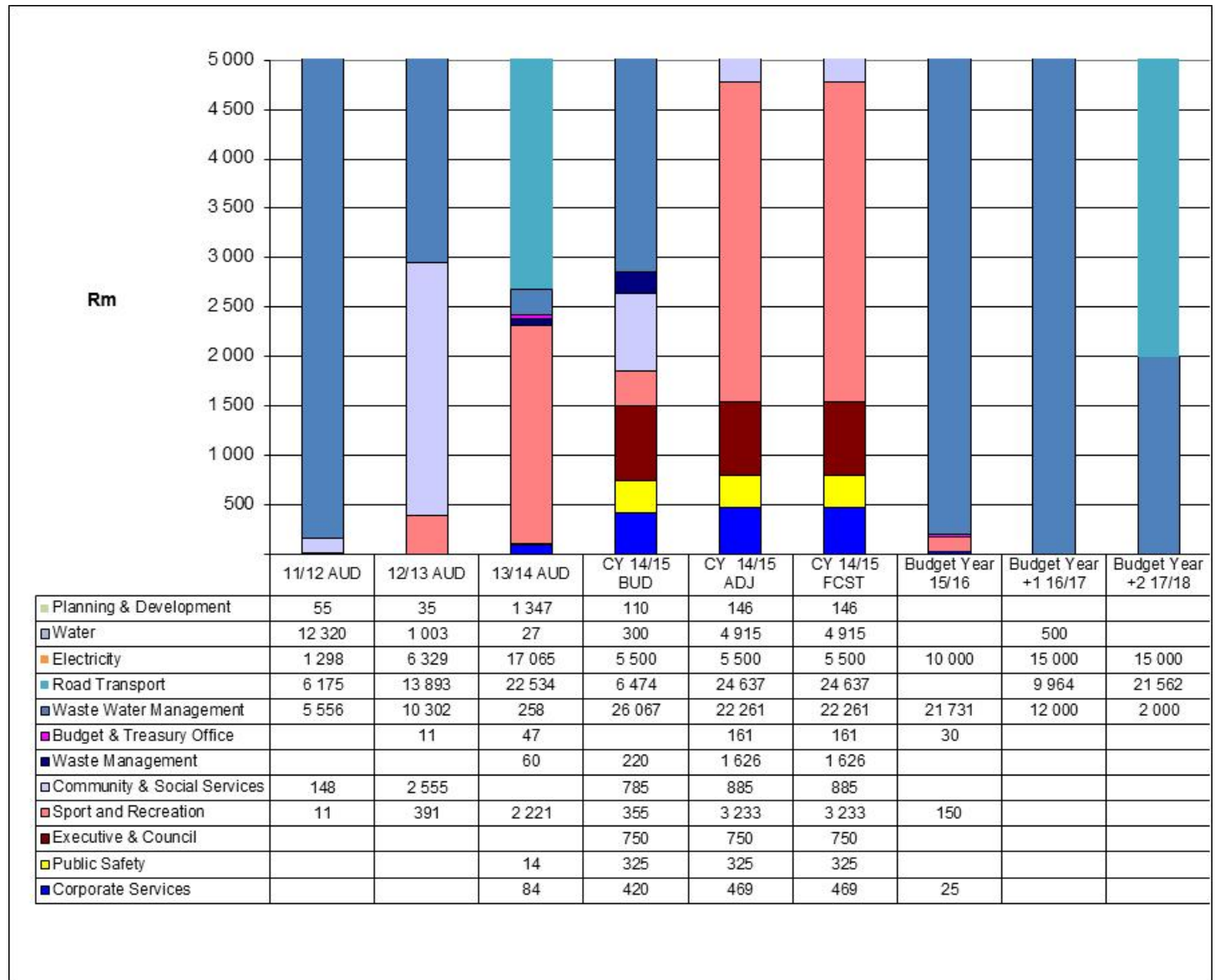


Figure 3 Capital by standard classification

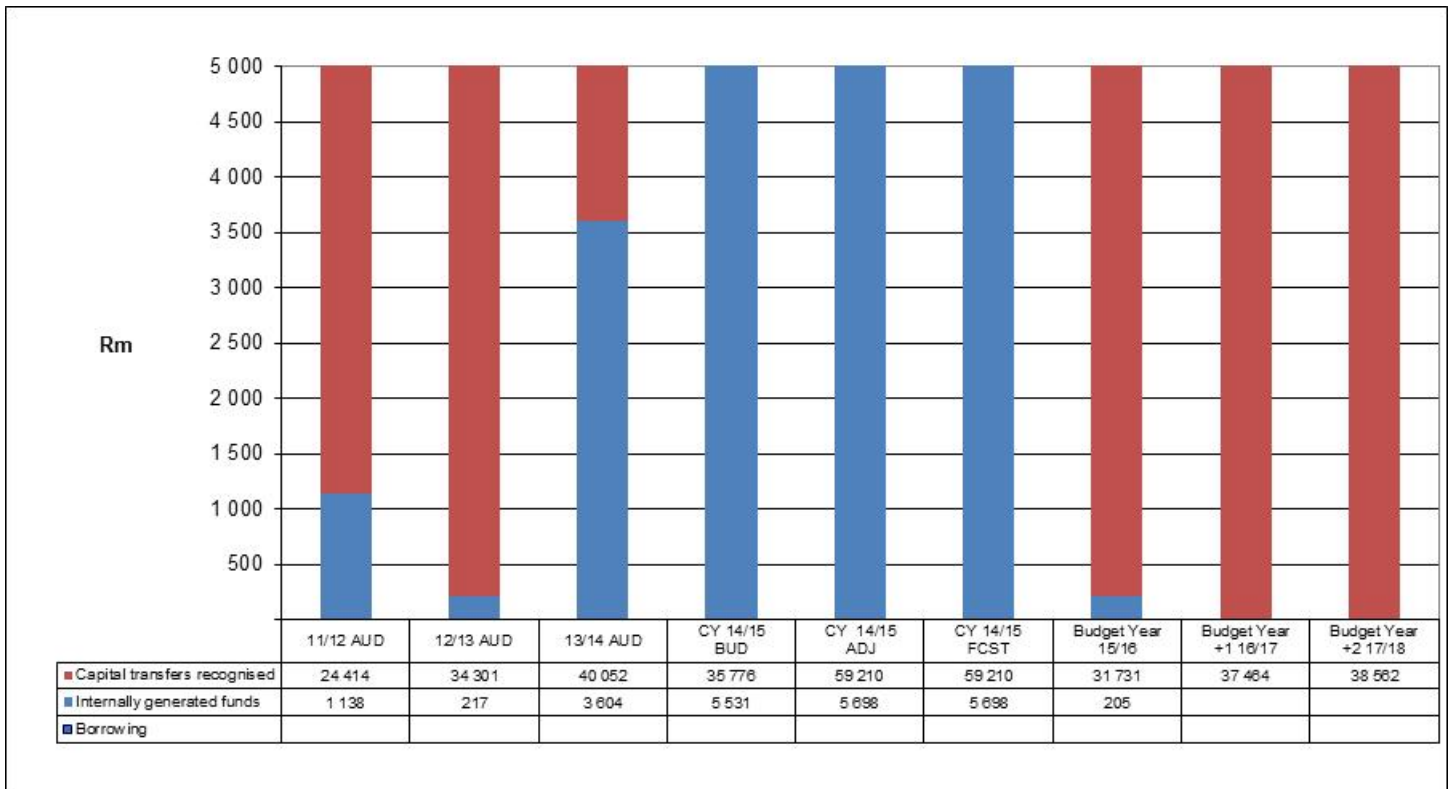


Figure 4 Capital Funding by Source

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling				7 292	7 292	7 292	7 677	7 677	7 677
Piped water inside yard (but not in dwelling)				8 285	8 285	8 285	8 285	8 285	8 285
Using public tap (at least min.service level)				1 265	1 265	1 265	880	1 700	1 700
Other water supply (at least min.service level)				684	684	684	684	684	684
<i>Minimum Service Level and Above sub-total</i>	-	-	-	17 526	17 526	17 526	17 526	18 346	18 346
Using public tap (< min.service level)							3 120	1 300	1 300
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	3 120	1 300	1 300
Total number of households	-	-	-	17 526	17 526	17 526	20 646	19 646	19 646
Sanitation/sewerage:									
Flush toilet (connected to sewerage)				16 020	16 020	16 020	16 020	16 020	16 673
Flush toilet (with septic tank)				319	319	319	319	319	319
Chemical toilet				983	983	983	983	983	330
Pit toilet (ventilated)				-	-	-	-	-	-
Other toilet provisions (> min.service level)				204	204	204	204	204	204
<i>Minimum Service Level and Above sub-total</i>	-	-	-	17 526	17 526	17 526	17 526	17 526	17 526
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	17 526	17 526	17 526	17 526	17 526	17 526
Energy:									
Electricity (at least min.service level)				6 020	6 020	6 020			
Electricity - prepaid (min.service level)				12 124	12 124	12 124			
<i>Minimum Service Level and Above sub-total</i>	-	-	-	18 144	18 144	18 144	-	-	-
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	18 144	18 144	18 144	-	-	-
Refuse:									
Removed at least once a week	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525
<i>Minimum Service Level and Above sub-total</i>	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525	17 525
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)				5 050	5 050	5 050	5 050	5 050	5 050
Sanitation (free minimum level service)				5 050	5 050	5 050	5 050	5 050	5 050
Electricity/other energy (50kwh per household per month)				5 050	5 050	5 050	5 050	5 050	5 050
Refuse (removed at least once a week)				5 050	5 050	5 050	5 050	5 050	5 050
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)					5 454	5 454			
Sanitation (free sanitation service)					1 201	1 201			
Electricity/other energy (50kwh per household per month)					-	-			
Refuse (removed once a week)					-	-			
Total cost of FBS provided (minimum social p	-	-	-	-	6 655	6 655	-	-	-
Highest level of free service provided									
Property rates (R value threshold)					-	-			
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)					-	-			
Sanitation (Rand per household per month)	68	72	74	85	85	85	90	96	102
Electricity (kwh per household per month)	75	75	75	75	75	75	50	50	50
Refuse (average litres per week)					-	-			
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)	4 736	5 074	6 395	6 800	6 800	6 800	7 208	7 640	8 023
Water	1 262	255	142	2 500	2 500	2 500	2 750	2 915	3 061
Sanitation	1 359	1 777	1 245	2 100	2 100	2 100	2 226	2 360	2 478
Electricity/other energy	916	1 207	1 089	3 600	3 600	3 600	2 532	2 785	3 064
Refuse	1 657	1 731	1 419	1 500	1 500	1 500	1 600	1 700	1 800
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	9 929	10 044	10 289	16 500	16 500	16 500	16 316	17 400	18 425

Table 24MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance'

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Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
<u>Property rates</u>									
Total Property Rates	17 640	19 427	27 774	29 100	30 000	30 000	31 800	33 708	35 393
less Revenue Foregone									
Net Property Rates	17 640	19 427	27 774	29 100	30 000	30 000	31 800	33 708	35 393
<u>Service charges - electricity revenue</u>									
Total Service charges - electricity revenue	65 741	71 681	79 305	84 000	87 200	87 200	97 596	107 356	118 091
less Revenue Foregone	916	1 207	1 089	1 400	1 400	1 400			
Net Service charges - electricity revenue	64 825	70 474	78 217	82 600	85 800	85 800	97 596	107 356	118 091
<u>Service charges - water revenue</u>									
Total Service charges - water revenue	24 167	25 113	27 616	37 500	37 500	37 500	41 250	43 725	45 911
less Revenue Foregone		255							
Net Service charges - water revenue	24 167	24 858	27 616	37 500	37 500	37 500	41 250	43 725	45 911
<u>Service charges - sanitation revenue</u>									
Total Service charges - sanitation revenue	7 395	10 129	10 680	11 000	11 000	11 000	11 660	12 360	12 978
less Revenue Foregone		1 777							
Net Service charges - sanitation revenue	7 395	8 351	10 680	11 000	11 000	11 000	11 660	12 360	12 978
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	4 905	7 115	6 256	6 900	6 900	6 900	9 804	10 388	11 014
Total landfill revenue									
less Revenue Foregone		1 731							
Net Service charges - refuse revenue	4 905	5 384	6 256	6 900	6 900	6 900	9 804	10 388	11 014
<u>Other Revenue by source</u>									
List other revenue by source									
Cemetery Fees	119	225	181	200	200	200	200	210	220
Fire Brigade	1 405	1 606	1 821	1 954	1 954	1 954	2 867	3 048	3 208
Valuation Certificate	29	38	43	50	50	50	40	42	45
Clearance Certificate	-	116	127	144	144	144	100	106	111
Building Plans	95	99	120	92	92	92	150	150	150
Sale of Erven	13	14							
Reconnection Fees	-	-							
Other Revenue	1 166	3 222	5 245	4 422	3 643	3 643	3 758	4 015	4 194
Fair Value of Shares			98						
Total 'Other' Revenue	2 828	5 321	7 636	6 861	6 082	6 082	7 115	7 572	7 927
EXPENDITURE ITEMS:									
<u>Employee related costs</u>									
Basic Salaries and Wages	43 997	48 088	62 283	70 877	73 265	73 265	78 725	83 604	87 804
Pension and UIF Contributions	7 272	8 631	11 054	13 803	13 648	13 648	15 444	16 371	17 190
Medical Aid Contributions	1 826	2 106	2 561	3 011	3 399	3 399	3 795	4 023	4 224
Overtime	2 137	3 187	5 360	3 473	4 315	4 315	4 775	5 108	4 722
Performance Bonus	-				-	-			
Motor Vehicle Allowance	3 146	3 609	3 778	4 994	5 565	5 565	6 432	6 818	7 159
Cellphone Allowance	-		8	16	10	10			
Housing Allowances	200	175	156	152	163	163	173	183	192
Other benefits and allowances	1 235	1 504	1 741	1 828	2 040	2 040	2 217	2 350	2 468
Payments in lieu of leave	3 287	1 341	4 158	1 200	1 200	1 200	1 272	1 348	1 416
Long service awards	-				-	-			
Post-retirement benefit obligations	559	1 520	5 558	2 490	4 490	4 490	5 507	5 838	6 130
sub-total	63 660	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304
Less: Employees costs capitalised to PPE									
Total Employee related costs	63 660	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Lease amortisation									
Capital asset impairment									
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105
Bulk purchases									
Electricity Bulk Purchases	58 166	61 465	70 004	79 500	80 500	80 500	92 575	99 981	109 979
Water Bulk Purchases	7 781	5 787	7 378	8 500	7 000	7 000	7 700	8 162	8 570
Total bulk purchases	65 947	67 252	77 382	88 000	87 500	87 500	100 275	108 143	118 549
Transfers and grants									
Cash transfers and grants	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	–	–	–	–	–	–	–	–	–
Contracted services									
Security costs	5 298	5 868	6 494	5 880	5 880	5 880	6 500	6 890	7 235
Legal Services	2 662	1 282	3 329	2 475	2 475	2 475	2 524	2 675	2 809
sub-total	7 959	7 150	9 822	8 355	8 355	8 355	9 024	9 565	10 043
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	7 959	7 150	9 822	8 355	8 355	8 355	9 024	9 565	10 043
Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions									
Consultant fees	3 309	3 248	4 024	3 934	4 152	4 152	3 539	2 753	2 456
Audit fees	1 762	2 320	2 954	2 569	2 569	2 569	3 140	3 328	3 495
General expenses	9 277	10 546	10 976	14 283	13 182	13 182	13 311	14 414	15 409
<i>List Other Expenditure by Type</i>									
Advertising	392	342	448	367	397	397	350	373	392
Bank charges	375	274	624	670	670	670	710	753	790
Bursaries	203	295	241	100	100	100	80	85	89
Conference and delegations	92	142	172	277	192	192	170	225	235
Protocol Visits	139	127	149	159	163	163	108	130	137
Indigent expenditure	39	–	–	–	–	–	4	11	11
Insurance	529	522	769	860	985	985	1 044	1 107	1 162
Membership fees	447	516	670	1 010	1 020	1 020	1 200	1 272	1 336
Postage	1	4	2	32	12	12	12	12	13
Printing and stationery	893	532	1 371	1 277	1 456	1 456	1 583	1 719	1 805
Programming	1 066	1 639	1 576	1 362	1 362	1 362	1 749	1 854	1 946
Rental of office equipment	480	30	162	1 505	205	205	305	325	346
Subscription and publication	180	158	297	142	142	142	65	84	72
Telephone and cellphone costs	1 715	1 807	1 938	1 717	1 717	1 717	1 694	1 796	1 885
Training	353	339	253	350	279	279	241	255	268
Travel and subsistence	904	1 790	1 991	1 435	1 686	1 686	1 178	1 308	1 374
Valuation costs	1 298	327	372	575	775	775	431	457	480
Vehicle costs	2 628	3 611	5 093	5 209	6 517	6 517	6 934	7 350	7 717
Upgrade Eskom substation	4 150	8 769							
Total 'Other' Expenditure	30 231	37 338	34 083	37 832	37 581	37 581	37 847	39 611	41 418
Repairs and Maintenance by Expenditure Item									
Employee related costs		14 016	23 223	24 580	24 590	24 590	26 912	28 527	29 407
Other materials	8 096	7 156	8 387	9 730	9 853	9 853	10 988	11 806	12 397
Contracted Services									
Other Expenditure									
Total Repairs and Maintenance Expenditure	8 096	21 172	31 610	34 310	34 442	34 442	37 900	40 333	41 804

Table 25 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - BUDGET AND TREASURY	Vote 3 - SOCIAL SERVICES	Vote 4 - CORPORATE SERVICES	Vote 5 - TECHNICAL SERVICES	Vote 6 - PLANNING AND DEVELOPME NT	Total
R thousand							
Revenue By Source							
Property rates		31 800					31 800
Property rates - penalties & collection charges							-
Service charges - electricity revenue					97 596		97 596
Service charges - water revenue					41 250		41 250
Service charges - sanitation revenue					11 660		11 660
Service charges - refuse revenue			9 804				9 804
Service charges - other							-
Rental of facilities and equipment			59		174		233
Interest earned - external investments		2 212					2 212
Interest earned - outstanding debtors		9 328					9 328
Dividends received							-
Fines			801				801
Licences and permits							-
Agency services			3 700				3 700
Other revenue	318	220	3 111	83	3 196	186	7 115
Transfers recognised - operational	9 891	26 913	4 204	369	23 745		65 122
Gains on disposal of PPE							-
Total Revenue (excluding capital transfers and	10 209	70 473	21 680	452	177 620	186	280 621
Expenditure By Type							
Employee related costs	10 508	18 436	31 483	14 282	34 217	9 414	118 340
Remuneration of councillors	7 267						7 267
Debt impairment	15 900						15 900
Depreciation & asset impairment	3 303		6 541		22 596		32 439
Finance charges	3 180			360	142		3 682
Bulk purchases					100 275		100 275
Other materials	11	21	2 401	110	8 439	7	10 988
Contracted services			6 500	2 524			9 024
Transfers and grants							-
Other expenditure	417	3 490	7 073	960	24 610	1 297	37 847
Loss on disposal of PPE							-
Total Expenditure	40 584	21 947	53 997	18 235	190 279	10 718	335 762
Surplus/(Deficit)	(30 375)	48 526	(32 318)	(17 783)	(12 659)	(10 532)	(55 141)
Transfers recognised - capital					31 731		31 731
Contributions recognised - capital							-
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions	(30 375)	48 526	(32 318)	(17 783)	19 072	(10 532)	(23 409)

Table 26 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position'

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days	900	30 830	27 848	21 000	19 500	19 500	5 000	6 000	7 000
Other current investments > 90 days		900	900	900	900	900	900	900	900
Total Call investment deposits	900	31 730	28 748	21 900	20 400	20 400	5 900	6 900	7 900
<u>Consumer debtors</u>									
Consumer debtors	62 488	92 569	113 009	135 000	135 000	135 000	149 518	163 318	177 955
Less: Provision for debt impairment	(23 229)	(24 402)	(27 371)	(47 829)	(42 371)	(42 371)	(58 271)	(75 125)	(92 822)
Total Consumer debtors	39 259	68 167	85 638	87 171	92 629	92 629	91 247	88 192	85 133
<u>Debt impairment provision</u>									
Balance at the beginning of the year	(23 829)	(23 229)	(24 402)	37 829	27 371	27 371	42 371	58 271	75 125
Contributions to the provision	(3 931)	(1 164)	(13 020)	10 000	15 000	15 000	15 900	16 854	17 697
Bad debts written off	4 531	(9)	10 050						
Balance at end of year	(23 229)	(24 402)	(27 371)	47 829	42 371	42 371	58 271	75 125	92 822
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	932 533	965 392	1 061 820	1 055 138	1 121 456	1 121 456	1 153 392	1 190 856	1 229 418
Leases recognised as PPE					2 147	2 147	2 147	2 147	2 147
Less: Accumulated depreciation	125 865	136 278	179 158	193 829	206 637	206 637	239 076	273 462	309 568
Total Property, plant and equipment (PPE)	806 667	829 114	882 662	861 309	916 966	916 966	916 463	919 541	921 997
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)	442	484	367	394	(0)	(0)			
Current portion of long-term liabilities	912	1 179	859	1 439	1 833	1 833	1 425	299	148
Total Current liabilities - Borrowing	1 353	1 663	1 226	1 833	1 833	1 833	1 425	299	148
<u>Trade and other payables</u>									
Trade and other creditors	37 294	31 346	36 416	26 064	36 064	36 064	35 000	35 000	35 000
Unspent conditional transfers	14 501	23 876	23 468	8 936	16 227	16 227			
VAT	15 766	21 136	25 872	15 000	25 000	25 000	25 000	25 000	25 000
Total Trade and other payables	67 562	76 359	85 755	50 000	77 290	77 290	60 000	60 000	60 000
<u>Non current liabilities - Borrowing</u>									
Borrowing	2 226	1 743	1 376	982	982	982	557	259	111
Finance leases (including PPP asset element)	3 295	3 275	133						
Total Non current liabilities - Borrowing	5 521	5 018	1 509	982	982	982	557	259	111
<u>Provisions - non-current</u>									
Retirement benefits	17 900	20 458	25 281	25 700	29 200	29 200	32 120	35 330	38 865
List other major provision items									
Refuse landfill site rehabilitation	4 437	5 692	19 513	7 600	23 600	23 600	26 100	28 600	31 100
Other	2 038	2 334	2 991	2 700	3 700	3 700	4 500	5 500	7 000
Total Provisions - non-current	24 375	28 484	47 785	36 000	56 500	56 500	62 720	69 430	76 965
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	824 463	835 321	903 560	911 032	890 471	890 471	923 554	911 837	903 208
GRAP adjustments									
Restated balance	824 463	835 321	903 560	911 032	890 471	890 471	923 554	911 837	903 208
Surplus/(Deficit)	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets									
Other adjustments		(4 262)	1 908		24 045	24 045	11 209	16 364	15 890
Accumulated Surplus/(Deficit)	823 281	856 008	890 470	903 800	923 071	923 071	911 354	902 725	889 352
<u>Reserves</u>									
Housing Development Fund	483	483	483	483	483	483	483	483	483
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
Total Reserves	483	483	483	483	483	483	483	483	483
TOTAL COMMUNITY WEALTH/EQUITY	823 764	856 492	890 953	904 283	923 554	923 554	911 837	903 208	889 835

Table 27 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A	14 450	16 721	17 162	16 939	21 420	21 420	21 776	21 108	21 984
Promote and encourage sustainable economic environment	Prosperous community	B	198								
Plan for the future	Sustainable communities	C	159	244	163	208	128	128	186	192	197
Improve financial viability	Financial sustainability	D	32 312	36 502	67 077	66 995	67 995	67 995	70 473	72 349	74 567
Resource management of infrastructure and service	Increased accessibility of basic services	E	144 748	165 871	185 481	194 718	215 919	215 919	209 255	227 661	242 248
Improve administrative and governance capacity	Good governance capacity	F	25 225	28 773	9 484	10 050	10 250	10 250	10 601	10 656	10 769
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G	213	46	106	100	100	100	60	100	100
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			217 304	248 157	279 473	289 011	315 813	315 813	312 352	332 066	349 865

Table 28 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A	24 185	25 334	38 046	36 802	38 364	38 364	41 852	44 764	47 061
Promote and encourage sustainable economic environment	Prosperous community	B	2 136	2 374	2 899	3 337	3 767	3 767	4 096	4 342	4 559
Plan for the future	Sustainable communities	C	1 908	2 353	2 946	4 635	4 225	4 225	5 775	6 149	6 457
Improve financial viability	Financial sustainability	D	12 614	15 394	18 864	19 228	20 364	20 364	21 947	22 645	23 620
Resource management of infrastructure and service	Increased accessibility of basic services	E	141 303	148 085	174 926	182 633	184 683	184 683	202 424	216 381	231 513
improve administrative and governance capacity	Good governance capacity	F	34 695	26 948	54 241	46 609	52 682	52 682	56 295	59 686	62 648
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G	1 644	2 720	2 550	3 001	3 172	3 172	3 372	3 575	3 754
Allocations to other priorities											
Total Expenditure			218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611

Table 29 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Promote the welfare of the community	Healthy and good living conditions	A	159	2 113	3 246	1 685	6 069	6 069	150		
Promote and encourage sustainable economic environment	Prosperous community	B				80	80	80			
Plan for the future	Sustainable communities	C					36	36			
Improve financial viability	Financial sustainability	D		11	47		161	161	30		
Resource management of infrastructure and service	Increased accessibility of basic services	E	25 404	32 395	40 279	38 372	57 343	57 343	31 731	37 464	38 562
improve administrative and governance capacity	Good governance capacity	F			84	1 170	1 219	1 219	25		
Attract, develop and retain human capital	Improved employee satisfaction and increased productivity	G									
Allocations to other priorities											
Total Capital Expenditure			25 563	34 518	43 656	41 307	64 907	64 907	31 936	37 464	38 562

Table 30 MBRR Table SA 8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-0.3%	1.6%	2.6%	1.2%	1.3%	1.3%	1.5%	1.2%	1.1%
Capital Charges to Own Revenue	Finance charges & Repay ment of borrowing /Own Revenue	-0.6%	2.3%	4.3%	1.9%	2.1%	2.1%	2.4%	1.8%	1.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	1142.4%	1038.4%	312.2%	203.3%	203.3%	203.3%	115.3%	53.5%	22.9%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.6	1.7	1.5	2.4	1.6	1.6	1.8	1.7	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.7	1.5	2.4	1.6	1.6	1.8	1.7	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.7	0.4	0.6	0.4	0.4	0.2	0.2	0.1
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		86.7%	79.2%	92.9%	85.8%	85.8%	0.0%	91.9%	92.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		86.7%	79.3%	92.9%	85.8%	85.8%	85.8%	91.9%	92.7%	92.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26.9%	35.1%	40.8%	37.7%	39.3%	39.3%	33.7%	30.9%	28.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))									
Creditors to Cash and Investments		60.9%	50.7%	104.7%	53.3%	204.6%	204.6%	210.8%	253.1%	394.1%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	Total Volume Losses (kℓ)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.4%	33.3%	41.0%	40.2%	42.1%	42.1%	42.2%	42.6%	42.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.7%	35.8%	43.5%	42.9%	44.8%	44.8%	44.8%	45.3%	44.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.3%	10.1%	13.4%	13.5%	13.4%	13.4%	13.5%	13.7%	13.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	17.4%	12.5%	19.0%	13.3%	13.3%	13.3%	12.9%	13.0%	12.9%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.5	10.2	17.8	19.4	19.4	19.4	39.3	41.5	44.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	42.9%	57.3%	63.7%	57.1%	58.9%	58.9%	49.2%	43.8%	39.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.4	4.3	1.9	2.5	0.9	0.9	0.7	0.6	0.3

Table 31 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			73	53	66	66	66					
Females aged 5 - 14			7	5	6	6	6	10	10			
Males aged 5 - 14			4	5	7	7	7	11	11			
Females aged 15 - 34			4	10	12	12	12	12	12			
Males aged 15 - 34			14	10	13	13	13	13	13			
Unemployment												
Monthly household income (no. of households)	1, 12	Based on Population Growth	3 236	454	460							
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Income under R1 500	18 020	9 590								
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			72 810	52 602	68 286			53				
Number of poor people in municipal area			18 020	9 590				10				
Number of households in municipal area			20 965	15 826				16				
Number of poor households in municipal area			3 050	450				0				
Definition of poor household (R per month)												
Housing statistics												
Formal	3		10 081	9 441								
Informal			7 327	4 193								
Total number of households			17 408	13 634	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6							5.5%		5.8%	5.5%	5.3%
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases								7.0%		7.0%	7.0%	7.0%
Consumption growth (electricity)								4.0%				
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments								100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors												
Revenue from agency services								100.0%	100.0%	100.0%	100.0%	100.0%

Table 32 MBRR Table SA 10 - Funding measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	61 239	61 859	34 769	48 927	17 628	17 628	16 606	13 828	8 881
Cash + investments at the yr end less applications - R'000	18(1)b	51 083	62 796	64 977	48 927	37 896	37 896	67 833	62 543	54 384
Cash year end/monthly employee/supplier payments	18(1)b	4.4	4.3	1.9	2.5	0.9	0.9	0.7	0.6	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(1 182)	24 950	(14 998)	(7 233)	8 555	8 555	(23 409)	(25 476)	(29 747)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2.0%	11.2%	5.0%	(3.5%)	(6.0%)	6.2%	2.0%	1.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	86.7%	79.3%	92.9%	85.8%	85.8%	85.8%	91.9%	92.7%	92.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	3.3%	0.9%	9.2%	6.0%	8.8%	8.8%	8.3%	8.1%	7.9%
Capital payments % of capital expenditure	18(1)c;19	0.0%	122.3%	151.9%	74.9%	75.0%	75.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	44.0%	30.5%	(0.7%)	5.7%	0.0%	(6.3%)	(3.7%)	(3.9%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	88.1%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1.0%	2.6%	3.6%	4.0%	3.8%	3.8%	4.1%	4.4%	4.5%
Asset renewal % of capital budget	20(1)(vi)	70.0%	63.3%	80.4%	80.2%	84.8%	84.8%	68.0%	37.3%	94.8%
High Level Outcome of Funding Compliance										
Total Operating Revenue		190 488	210 515	235 897	253 235	256 603	256 603	280 621	294 602	311 303
Total Operating Expenditure		218 485	223 207	294 471	296 244	307 258	307 258	335 762	357 541	379 611
Surplus/(Deficit) Budgeted Operating Statement		(27 997)	(12 692)	(58 574)	(43 009)	(50 655)	(50 655)	(55 141)	(62 939)	(68 309)
Surplus/(Deficit) Considering Reserves and Cash Backing		51 083	62 796	64 977	48 927	37 896	37 896	67 833	62 543	54 384
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖		✓	✓	✓	✓	✓	✓	✓	✓	✓

Table 33 MBRR Table SA11 - Property rates summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:									
Date of valuation:		01/07/2013	01/07/2013	01/07/2013					
Financial year valuation used		01/07/2013	01/07/2013	01/07/2013					
Municipal by-laws s6 in place? (Y/N)		No	No	No			No		
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		Yes	Yes	No			Yes		
No. of assistant valuers (FTE)	No	No							
No. of data collectors (FTE)				4	4	4	4		
No. of internal valuers (FTE)									
No. of external valuers (FTE)				1	1	1	1		
No. of additional valuers (FTE)									
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	48	48	48	60			48		
No. of properties	14 336	14 336	14 336	14 336	14 336	14 336	14 336	14 336	14 336
No. of sectional title values									
No. of unreasonably difficult properties s7(2)									
No. of supplementary valuations	563	563	563	2 342	2 342	2 342	2 342	2 342	2 342
No. of valuation roll amendments									
No. of objections by rate payers									
No. of appeals by rate payers									
No. of successful objections									
No. of successful objections > 10%									
Supplementary valuation									
Public service infrastructure value (Rm)	1	1	1	1	1	1	1	1	1
Municipality owned property value (Rm)	31	31	31	31	31	31	31	31	31
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)									
Valuation reductions-nature reserves/park (Rm)									
Valuation reductions-mineral rights (Rm)									
Valuation reductions-R15,000 threshold (Rm)		0							
Valuation reductions-public worship (Rm)		0							
Valuation reductions-other (Rm)		5							
Total valuation reductions:		5							
Total value used for rating (Rm)		6 971	2 061	6 971	6 971	6 971	2 061	2 061	2 061
Total land value (Rm)		-							
Total value of improvements (Rm)		-							
Total market value (Rm)		6 971	2 061	6 971	6 971	6 971	2 061	2 061	2 061
Rating:									
Residential rate used to determine rate for other categories? (Y/N)		No	No	No			No		
Differential rates used? (Y/N)		Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes			Yes		
Special rating area used? (Y/N)		Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)		Yes	Yes	Yes			Yes		
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		15	15	15			15		
Non-residential prescribed ratio s19? (%)		20.0%	20.0%	20.0%			20.0%		
Rate revenue:									
Rate revenue budget (R '000)	22 376	24 500	34 169	35 900	36 800	36 800	36 008	41 348	43 416
Rate revenue expected to collect (R'000)	17 640	19 427	27 774	29 100	30 000	30 000	28 800	33 708	35 393
Expected cash collection rate (%)									
Special rating areas (R'000)									
Rebates, exemptions - indigent (R'000)	4 736	5 074	6 395	6 800	6 800	6 800	7 208	7 640	8 023
Rebates, exemptions - pensioners (R'000)									
Rebates, exemptions - bona fide farm. (R'000)									
Rebates, exemptions - other (R'000)									
Phase-in reductions/discounts (R'000)									
Total rebates, exemptns, reductns, discs (R'000)	4 736	5 074	6 395	6 800	6 800	6 800	7 208	7 640	8 023

Table 34 MBRR Table SA12 - Property Rates by Category

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2014/15																
Valuation:																
No. of properties	13 695	107	188	80	41	120	25	–	–	10	23	–	–	–	47	–
No. of sectional title property values	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2 342	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281
Frequency of valuation (select)	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Method of valuation used (select)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Base of valuation (select)	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Flat rate used? (Y/N)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Is balance rated by uniform rate/variable rate?	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	159	91	206	54	44	31	3	–	–	7	8	–	–	–	36	–
Total land value (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	159	91	206	54	44	31	3	–	–	7	8	–	–	–	36	–
Rating:																
Average rate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)	35 900	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)	35 900	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,eductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

LIM365 Modimolle - Supporting Table SA12b Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																
Valuation:																
No. of properties	13 695	107	188	80	41	120	25	–	–	10	23	–	–	–	47	–
No. of sectional title property values	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	2 342	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281	41281
Frequency of valuation (select)	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Method of valuation used (select)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Base of valuation (select)	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value	market value
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Flat rate used? (Y/N)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Is balance rated by uniform rate/variable rate?	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																
Total value used for rating (Rm)	159	91	206	54	44	31	3	–	–	7	8	–	–	–	36	–
Total land value (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	159	91	206	54	44	31	3	–	–	7	8	–	–	–	36	–
Rating:																
Average rate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)	35 900	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)	35 900	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	100.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discouts (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,eductns,discs (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Table 35 MBRR Table SA 13 – ServiceTariffs by category

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Property rates (rate in the Rand)</u>								
Residential properties		0.0051	0.0054	0.0058	0.0063	0.0067	0.0071	0.0075
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0013	0.0014	0.0015	0.0016	0.0017	0.0018	0.0019
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0194	0.0206	0.0220	0.0238	0.0252	0.0267	0.0283
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties		0.0194	0.0206	0.0220	0.0238	0.0252	0.0267	0.0283
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<u>Exemptions, reductions and rebates (Rands)</u>								
<i>Residential properties</i>								
R15 000 threshold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate								
Indigent rebate or exemption								
Pensioners/social grants rebate or exemption								
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption								
<i>Other rebates or exemptions</i>								
<u>Water tariffs</u>								
<i>Domestic</i>								
Basic charge/fixed fee (Rands/month)								
Service point - vacant land (Rands/month)								
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	(describe structure)							
Water usage - Block 1 (c/kl)	0 - 20 kl	8.49	9	10.64	13	14	15	17
Water usage - Block 2 (c/kl)	21 - 30 kl	11.45	12	14.35	17	19	21	23
Water usage - Block 3 (c/kl)	>31 kl				20	22	25	27
Water usage - Block 4 (c/kl)	(fill in thresholds)							
<i>Other</i>								
<u>Waste water tariffs</u>								
<i>Domestic</i>								
Basic charge/fixed fee (Rands/month)								
Service point - vacant land (Rands/month)								
Waste water - flat rate tariff (c/kl)						7	7	8
Volumetric charge - Block 1 (c/kl)	0 - 600 square metre	25.16	25	28.80	32	34	36	38
Volumetric charge - Block 2 (c/kl)	600 - 1983 square metre	50.56	51	57.88	64	67	72	76
Volumetric charge - Block 3 (c/kl)	1983 - 2975 square metre	66.97	67	76.67	84	89	95	100
Volumetric charge - Block 4 (c/kl)	2975 - 3966 square metre	83.82	84	95.96	106	112	119	126
<i>Other</i>								
				48.74	54			

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Electricity tariffs</u>								
<i>Domestic</i>								
Basic charge/ fixed fee (Rands/month)				69.99	76	85	93	103
Service point - vacant land (Rands/month)								
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)							
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid(c/kwh)								
Meter - IBT Block 1 (c/kwh)	0 - 50kwh	0.8303	1	0.6647	1	1	1	1
Meter - IBT Block 2 (c/kwh)	51 - 350kwh	0.8600	1	0.8414	1	1	1	1
Meter - IBT Block 3 (c/kwh)	351 - 600kwh	1.0400	1	1.1371	1	1	2	2
Meter - IBT Block 4 (c/kwh)	> 601kwh	1.3100	1	1.3516	1	2	2	2
Meter - IBT Block 5 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)	0 - 50kwh	0.8303	0.6500	0.6858	1	1	1	1
Prepaid - IBT Block 2 (c/kwh)	51 - 350kwh	0.8600	0.8300	0.8839	1	1	1	1
Prepaid - IBT Block 3 (c/kwh)	351 - 600kwh	1.0400	1.0600	1.1371	1	1	2	2
Prepaid - IBT Block 4 (c/kwh)	> 601kwh	1.3100	1.2600	1.3516	1	2	2	2
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
<i>Other</i>								
<u>Waste management tariffs</u>								
<i>Domestic</i>								
Street cleaning charge								
Basic charge/ fixed fee								
80l bin - once a week		63.04	68	73.53	79	84	89	95
250l bin - once a week								

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Waste water tariffs</u>								
Per Toilet	Per Toilet(minimum for no water consumption)			48.74	54	57		

Table 36 MBRR Table SA 15 - Investment particulars by type

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Parent municipality									
Securities - National Government	4	4	114	4					
Listed Corporate Bonds									
Deposits - Bank	900	31 726	28 748	19 013	20 517	20 517	6 020	7 022	8 025
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	1 986	2 322	2 705	2 883	2 883	2 883	–	–	–
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	2 890	34 052	31 566	21 900	23 400	23 400	6 020	7 022	8 025
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	–	–	–	–	–	–	–	–	–
Consolidated total:	2 890	34 052	31 566	21 900	23 400	23 400	6 020	7 022	8 025

Table 37 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
RMB		Sinking Fund	yes	Fixed	0.165			19/10/2015	3 000	160			3 160
NEDBANK - 788 1103 124		60 days deposit	yes	Fixed	0.0535			05/05/2014	2 710	150			2 860
Municipality sub-total									5 710		-	-	6 020
Entities													-
													-
													-
													-
													-
Entities sub-total									-		-	-	-
TOTAL INVESTMENTS AND INTEREST									5 710		-	-	6 020

Table 38 MBRR Table SA 17 – Borrowing

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	2 226	1 743	1 376	982	982	982	557	259	111
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	3 295	3 275	133	–	–	–	–	–	–
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	5 521	5 018	1 509	982	982	982	557	259	111
Entities									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	–	–	–	–	–	–	–	–	–
Total Borrowing	5 521	5 018	1 509	982	982	982	557	259	111

Table 39 MBRR Table SA 18 - Transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	56 236	60 928	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Local Government Equitable Share	50 098	56 393	57 283	58 643	58 643	58 643	59 775	58 486	57 793
Finance Management	1 795	1 500	1 497	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	1 093	800	890	934	934	934	930	956	1 033
EPWP Incentive	2 093	912	1 000	1 502	1 502	1 502	1 598		
Integrated National Electrification Programme									
Municipal Infrastructure Grant	1 158	1 323	1 562	1 588	1 588	1 588	1 144	1 182	1 240
Provincial Government:	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant									
District Municipality:	1 000	1 500	-	-	-	-	-	-	-
WDM	1 000	1 500							
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Operating Transfers and Grants	57 236	62 428	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Capital Transfers and Grants									
National Government:	26 815	51 111	43 109	35 776	35 776	35 776	31 731	37 464	38 562
Municipal Infrastructure Grant (MIG)	26 815	40 111	35 809	30 776	30 776	30 776	21 731	22 464	23 562
Integrated National Electrification Programme		3 000	7 300	5 000	5 000	5 000	10 000	15 000	15 000
Electricity Demand Side Management		8 000							
Department of Mineral & Energy									
Municipal Systems Improvement									
Finance Management									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
WDM									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Capital Transfers and Grants	26 815	51 111	43 109	35 776	35 776	35 776	31 731	37 464	38 562
TOTAL RECEIPTS OF TRANSFERS & GRANTS	84 051	113 539	105 341	100 043	100 043	100 043	96 853	99 898	100 773

Table 40 MBRR Table SA 19 - Expenditure on transfers and grant programme

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	56 236	60 928	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Local Government Equitable Share	50 098	56 393	57 283	58 643	58 643	58 643	59 775	58 486	57 793
Finance Management	1 795	1 500	1 497	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	1 093	800	890	934	934	934	930	956	1 033
EPWP Incentive	2 093	912	1 000	1 502	1 502	1 502	1 598		
Integrated National Electrification Programme									
Municipal Infrastructure Grant	1 158	1 323	1 562	1 588	1 588	1 588	1 144	1 182	1 240
Provincial Government:	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant									
District Municipality:	1 000	1 500	-	-	-	-	-	-	-
WDM	1 000	1 500							
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants	57 236	62 428	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Capital expenditure of Transfers and Grants									
National Government:	26 815	37 642	43 575	35 776	59 075	59 075	31 731	37 464	38 562
Municipal Infrastructure Grant (MIG)	26 815	33 831	29 175	30 776	54 075	54 075	21 731	22 464	23 562
Integrated National Electrification Programme		3 000	7 300	5 000	5 000	5 000	10 000	15 000	15 000
Electricity Demand Side Management		811	7 048						
Department of Mineral & Energy									
Municipal Systems Improvement									
Finance Management			53						
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
WDM									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total capital expenditure of Transfers and Grants	26 815	37 642	43 575	35 776	59 075	59 075	31 731	37 464	38 562
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	84 051	100 070	105 808	100 043	123 342	123 342	96 853	99 898	100 773

Table 41 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year		-							
Current year receipts	56 236	60 928	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Conditions met - transferred to revenue	56 236	60 928	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts	1 000	1 500							
Conditions met - transferred to revenue	1 000	1 500	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	57 236	62 428	62 232	64 267	64 267	64 267	65 122	62 434	62 211
Total operating transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year		14 627	23 881		23 299	23 299			
Current year receipts	26 815	51 111	43 109	35 776	35 776	35 776	31 731	37 464	38 562
Conditions met - transferred to revenue	26 815	65 738	43 523	35 776	59 075	59 075	31 731	37 464	38 562
Conditions still to be met - transferred to liabilities			23 468						
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	26 815	65 738	43 523	35 776	59 075	59 075	31 731	37 464	38 562
Total capital transfers and grants - CTBM	-	-	23 468	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	84 051	128 166	105 755	100 043	123 342	123 342	96 853	99 898	100 773
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	23 468	-	-	-	-	-	-

Table 42 MBRR Table SA21 - Transfers and grants made by the municipality

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Cash Transfers to other municipalities</u> <i>Insert description</i>									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>									
Total Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u> <i>Insert description</i>									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u> <i>Insert description</i>									
Total Cash Transfers To Organisations	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u> <i>Insert description</i>									
Total Cash Transfers To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other municipalities</u> <i>Insert description</i>									
Total Non-Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>									
Total Non-Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>									
Total Non-Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>									
Total Non-Cash Grants To Organisations	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>									
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-

Table 43 MBRR Table SA 22 - Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	3 075	3 141	3 689	4 277	4 277	4 277	4 533	4 805	5 045
Pension and UIF Contributions	447	470	553	561	561	561	594	630	661
Medical Aid Contributions	123	103	109	128	128	128	135	144	151
Motor Vehicle Allowance	1 214	1 273	1 311	1 475	1 475	1 475	1 564	1 657	1 740
Cellphone Allowance	242	251	290	378	378	378	400	424	446
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	24	26	28	38	38	38	40	42	44
Sub Total - Councillors	5 125	5 264	5 980	6 855	6 855	6 855	7 267	7 703	8 088
% increase		2.7%	13.6%	14.6%	-	-	6.0%	6.0%	5.0%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	2 413	1 590	2 724	4 008	3 279	3 279	4 055	4 510	4 736
Pension and UIF Contributions	242	340	467	767	697	697	870	923	969
Medical Aid Contributions	56	21	82	132	133	133	144	152	160
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	489	379	500	971	656	656	925	981	1 030
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	4	-	-	-	-	-	-	-
Other benefits and allowances	38	19	38	49	50	50	59	62	65
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	3 238	2 354	3 811	5 927	4 815	4 815	6 053	6 629	6 960
% increase		(27.3%)	61.9%	55.5%	(18.8%)	-	25.7%	9.5%	5.0%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	41 585	46 498	59 559	66 869	69 986	69 986	74 670	79 093	83 068
Pension and UIF Contributions	7 030	8 291	10 586	13 035	12 950	12 950	14 574	15 448	16 221
Medical Aid Contributions	1 769	2 084	2 479	2 879	3 266	3 266	3 651	3 870	4 064
Overtime	2 134	3 187	5 360	3 473	4 315	4 315	4 775	5 108	4 722
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	2 657	3 229	3 278	4 023	4 909	4 909	5 507	5 838	6 129
Cellphone Allowance	-	-	8	16	10	10	-	-	-
Housing Allowances	200	171	156	152	163	163	173	183	192
Other benefits and allowances	1 201	1 484	1 704	1 779	1 990	1 990	2 158	2 288	2 402
Payments in lieu of leave	3 287	1 341	4 158	1 200	1 200	1 200	1 272	1 348	1 416
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	(206)	1 520	5 558	2 490	4 490	4 490	5 507	5 838	6 130
Sub Total - Other Municipal Staff	59 657	67 807	92 844	95 915	103 279	103 279	112 287	119 014	124 345
% increase		13.7%	36.9%	3.3%	7.7%	-	8.7%	6.0%	4.5%
Total Parent Municipality	68 019	75 424	102 636	108 697	114 949	114 949	125 606	133 345	139 392
		10.9%	36.1%	5.9%	5.8%	-	9.3%	6.2%	4.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	68 019	75 424	102 636	108 697	114 949	114 949	125 606	133 345	139 392
% increase		10.9%	36.1%	5.9%	5.8%	-	9.3%	6.2%	4.5%
TOTAL MANAGERS AND STAFF	62 895	70 160	96 656	101 842	108 094	108 094	118 340	125 643	131 304

Table 44 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/ councilors/senior managers

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<u>Councillors</u>							
Speaker	1	397 359	59 604	174 649			631 613
Chief Whip	1	363 693	72 871	167 849			604 413
Executive Mayor	1	480 771	90 433	212 730			783 933
Deputy Executive Mayor							-
Executive Committee	2	572 484	104 189	270 214			946 887
Total for all other councillors	13	2 755 203	398 535	1 145 928			4 299 666
Total Councillors	18	4 569 510	725 631	1 971 371			7 266 512
<u>Senior Managers of the Municipality</u>							
Municipal Manager (MM)	1	964 759	212 247	160 555	-		1 337 561
Chief Finance Officer	1	818 833	180 143	115 612	-		1 114 589
Manager: Cooperate Services	1	563 545	165 743	199 270	-		928 558
Manager: Technincal Services	1	580 875	155 548	143 901	-		880 324
Manager: Social and Community Services	1	563 544	126 035	207 872	-		897 451
Manager: Planning and Economic Development	1	563 545	126 035	205 259	-		894 839
<i>List of each official with packages >= senior manager</i>							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	6	4 055 100	965 751	1 032 469	-		6 053 321
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	24	8 624 610	1 691 383	3 003 840	-		13 319 833

Table 45 MBRR Table SA 24 - Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	18	3	15	18	3	15	18	3	15
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	6	–	6	6	–	6	6	–	6
Other Managers	16	13	2	18	17	1	18	17	1
Professionals	–	–	–	–	–	–	–	–	–
Finance									
Spatial/town planning									
Information Technology									
Roads									
Electricity									
Water									
Sanitation									
Refuse									
Other									
Technicians	39	38	2	39	38	2	40	35	4
Finance	5	5	–	5	5	–	5	5	–
Spatial/town planning									
Information Technology	1	1	–	1	1	–	1	1	–
Roads	3	3	–	3	3	–	3	2	1
Electricity	8	8	–	8	8	–	7	5	2
Water	5	5	–	5	5	–	5	5	–
Sanitation	2	2	–	2	2	–	2	2	–
Refuse									
Other	15	14	2	15	14	2	17	15	1
Clerks (Clerical and administrative)	65	63	2	65	63	6	69	65	1
Service and sales workers									
Skilled agricultural and fishery workers	1	1	–	1	1	–	1	1	–
Craft and related trades									
Plant and Machine Operators	50	50	–	50	50	–	50	50	–
Elementary Occupations	156	152	–	156	152	1	160	152	–
TOTAL PERSONNEL NUMBERS	351	320	27	353	324	31	362	323	27
% increase				0.6%	1.3%	14.8%	2.5%	(0.3%)	(12.9%)
Total municipal employees headcount	264			303			349		
Finance personnel headcount	29	29		42	42		45	45	–
Human Resources personnel headcount	8	8		8	8		7	7	–

Table 46 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	2 650	31 800	33 708	35 393
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	8 133	8 133	8 133	8 133	8 133	8 133	8 133	8 133	8 133	8 133	8 133	8 133	97 596	107 356	118 091
Service charges - water revenue	3 438	3 438	3 438	3 438	3 438	3 438	3 438	3 438	3 438	3 438	3 438	3 438	41 250	43 725	45 911
Service charges - sanitation revenue	972	972	972	972	972	972	972	972	972	972	972	972	11 660	12 360	12 978
Service charges - refuse revenue	817	817	817	817	817	817	817	817	817	817	817	817	9 804	10 388	11 014
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	19	19	19	19	19	19	19	19	19	19	19	19	233	246	258
Interest earned - external investments	184	184	184	184	184	184	184	184	184	184	184	184	2 212	2 225	2 336
Interest earned - outstanding debtors	777	777	777	777	777	777	777	777	777	777	777	777	9 328	9 888	10 382
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 900	4 000
Transfers recognised - operational	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	65 122	62 434	62 211
Other revenue	593	593	593	593	593	593	593	593	593	593	593	593	7 115	7 572	7 927
Gains on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and	23 385	23 385	23 385	23 385	23 385	23 385	23 385	23 385	23 385	23 385	23 385	23 385	280 621	294 602	311 303
Expenditure By Type															
Employee related costs	9 862	9 862	9 862	9 862	9 862	9 862	9 862	9 862	9 862	9 862	9 862	9 862	118 340	125 643	131 304
Remuneration of councillors	606	606	606	606	606	606	606	606	606	606	606	606	7 267	7 703	8 088
Debt impairment	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	15 900	16 854	17 697
Depreciation & asset impairment	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	2 703	32 439	34 386	36 105
Finance charges	307	307	307	307	307	307	307	307	307	307	307	307	3 682	3 831	4 009
Bulk purchases	8 356	8 356	8 356	8 356	8 356	8 356	8 356	8 356	8 356	8 356	8 356	8 356	100 275	108 143	118 549
Other materials	916	916	916	916	916	916	916	916	916	916	916	916	10 988	11 806	12 397
Contracted services	752	752	752	752	752	752	752	752	752	752	752	752	9 024	9 565	10 043
Transfers and grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	37 847	39 611	41 418
Loss on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	335 762	357 541	379 611
Surplus/(Deficit)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(4 595)	(55 141)	(62 939)	(68 309)
Transfers recognised - capital	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	37 464	38 562
Contributions recognised - capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)
Taxation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)

Table 47 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote)

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - EXECUTIVE AND COUNCIL	851	851	851	851	851	851	851	851	851	851	851	851	10 209	10 242	10 334
Vote 2 - BUDGET AND TREASURY	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	70 473	72 349	74 567
Vote 3 - SOCIAL SERVICES	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	21 680	21 005	21 876
Vote 4 - CORPORATE SERVICES	38	38	38	38	38	38	38	38	38	38	38	38	452	514	535
Vote 5 - TECHNICAL SERVICES	17 446	17 446	17 446	17 446	17 446	17 446	17 446	17 446	17 446	17 446	17 446	17 446	209 352	227 764	242 356
Vote 6 - PLANNING AND DEVELOPMENT	16	16	16	16	16	16	16	16	16	16	16	16	186	192	197
Total Revenue by Vote	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	312 352	332 066	349 865
Expenditure by Vote to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	40 584	43 034	45 167
Vote 2 - BUDGET AND TREASURY	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	21 947	22 645	23 620
Vote 3 - SOCIAL SERVICES	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500	53 997	57 658	60 601
Vote 4 - CORPORATE SERVICES	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	18 235	19 317	20 279
Vote 5 - TECHNICAL SERVICES	15 857	15 857	15 857	15 857	15 857	15 857	15 857	15 857	15 857	15 857	15 857	15 857	190 279	203 487	217 973
Vote 6 - PLANNING AND DEVELOPMENT	893	893	893	893	893	893	893	893	893	893	893	893	10 718	11 400	11 971
Total Expenditure by Vote	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	335 762	357 541	379 611
Surplus/(Deficit) before assoc.	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
Surplus/(Deficit)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)

Table 48 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
<i>Governance and administration</i>	6 776	6 776	6 776	6 776	6 776	6 776	6 776	6 776	6 776	6 776	6 776	6 776	81 309	83 290	85 630
Executive and council	851	851	851	851	851	851	851	851	851	851	851	851	10 209	10 242	10 334
Budget and treasury office	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	5 873	70 473	72 349	74 567
Corporate services	52	52	52	52	52	52	52	52	52	52	52	52	627	699	729
<i>Community and public safety</i>	331	331	331	331	331	331	331	331	331	331	331	331	3 968	4 164	4 339
Community and social services	24	24	24	24	24	24	24	24	24	24	24	24	294	309	324
Sport and recreation	1	1	1	1	1	1	1	1	1	1	1	1	7	7	7
Public safety	306	306	306	306	306	306	306	306	306	306	306	306	3 667	3 848	4 008
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	419	419	419	419	419	419	419	419	419	419	419	419	5 033	27 741	29 003
Planning and development	111	111	111	111	111	111	111	111	111	111	111	111	1 330	1 374	1 437
Road transport	309	309	309	309	309	309	309	309	309	309	309	309	3 703	26 367	27 565
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	18 503	18 503	18 503	18 503	18 503	18 503	18 503	18 503	18 503	18 503	18 503	18 503	222 042	216 871	230 893
Electricity	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	10 092	121 100	135 827	146 611
Water	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	47 777	50 112	52 222
Waste water management	3 263	3 263	3 263	3 263	3 263	3 263	3 263	3 263	3 263	3 263	3 263	3 263	39 156	17 994	18 526
Waste management	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 008	12 938	13 533
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	26 029	312 352	332 066	349 865
Expenditure - Standard															
<i>Governance and administration</i>	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	80 913	85 152	89 229
Executive and council	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	3 382	40 584	43 034	45 167
Budget and treasury office	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	1 829	21 947	22 645	23 620
Corporate services	1 532	1 532	1 532	1 532	1 532	1 532	1 532	1 532	1 532	1 532	1 532	1 532	18 382	19 473	20 442
<i>Community and public safety</i>	2 795	2 795	2 795	2 795	2 795	2 795	2 795	2 795	2 795	2 795	2 795	2 795	33 539	35 864	37 682
Community and social services	1 502	1 502	1 502	1 502	1 502	1 502	1 502	1 502	1 502	1 502	1 502	1 502	18 025	19 193	20 156
Sport and recreation	660	660	660	660	660	660	660	660	660	660	660	660	7 922	8 603	9 038
Public safety	633	633	633	633	633	633	633	633	633	633	633	633	7 592	8 068	8 488
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	41 483	44 030	46 233
Planning and development	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	1 028	12 336	13 115	13 771
Road transport	2 429	2 429	2 429	2 429	2 429	2 429	2 429	2 429	2 429	2 429	2 429	2 429	29 147	30 915	32 461
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	179 826	192 496	206 467
Electricity	9 883	9 883	9 883	9 883	9 883	9 883	9 883	9 883	9 883	9 883	9 883	9 883	118 602	127 564	138 937
Water	2 940	2 940	2 940	2 940	2 940	2 940	2 940	2 940	2 940	2 940	2 940	2 940	35 284	37 401	39 271
Waste water management	867	867	867	867	867	867	867	867	867	867	867	867	10 400	10 969	10 835
Waste management	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	15 540	16 562	17 424
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	335 762	357 541	379 611
Surplus/(Deficit) before assoc.	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(1 951)	(23 409)	(25 476)	(29 747)

Table 49 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	16 464	31 562
Vote 6 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	16 464	31 562
Single-year expenditure to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY	3	3	3	3	3	3	3	3	3	3	3	3	30	-	-
Vote 3 - SOCIAL SERVICES	13	13	13	13	13	13	13	13	13	13	13	13	150	-	-
Vote 4 - CORPORATE SERVICES	2	2	2	2	2	2	2	2	2	2	2	2	25	-	-
Vote 5 - TECHNICAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	21 000	7 000
Vote 6 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	17	17	17	17	17	17	17	17	17	17	17	17	205	21 000	7 000
Total Capital Expenditure	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	31 936	37 464	38 562

Table 50 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification)

R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
<i>Governance and administration</i>	5	5	5	5	5	5	5	5	5	5	5	5	55	-	-
Executive and council												-	-	-	-
Budget and treasury office	3	3	3	3	3	3	3	3	3	3	3	3	30	-	-
Corporate services	2	2	2	2	2	2	2	2	2	2	2	2	25	-	-
<i>Community and public safety</i>	13	13	13	13	13	13	13	13	13	13	13	13	150	-	-
Community and social services												-	-	-	-
Sport and recreation	13	13	13	13	13	13	13	13	13	13	13	13	150	-	-
Public safety												-	-	-	-
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	9 964	21 562
Planning and development												-	-	-	-
Road transport												-	-	9 964	21 562
Environmental protection												-	-	-	-
<i>Trading services</i>	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	27 500	17 000
Electricity	833	833	833	833	833	833	833	833	833	833	833	833	10 000	15 000	15 000
Water												-	-	500	-
Waste water management	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	21 731	12 000	2 000
Waste management												-	-	-	-
<i>Other</i>												-	-	-	-
Total Capital Expenditure - Standard	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	31 936	37 464	38 562
Funded by:															
National Government	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	37 464	38 562
Provincial Government												-	-	-	-
District Municipality												-	-	-	-
Other transfers and grants												-	-	-	-
Transfers recognised - capital	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	37 464	38 562
Public contributions & donations												-	-	-	-
Borrowing												-	-	-	-
Internally generated funds	17	17	17	17	17	17	17	17	17	17	17	17	205	-	-
Total Capital Funding	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	31 936	37 464	38 562

Table 51 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	30 210	32 360	33 978
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	7 861	7 861	7 861	7 861	7 861	7 861	7 861	7 861	7 861	7 861	7 861	7 861	94 333	104 485	114 933
Service charges - water revenue	3 266	3 266	3 266	3 266	3 266	3 266	3 266	3 266	3 266	3 266	3 266	3 266	39 188	41 976	44 075
Service charges - sanitation revenue	923	923	923	923	923	923	923	923	923	923	923	923	11 077	11 865	12 458
Service charges - refuse revenue	776	776	776	776	776	776	776	776	776	776	776	776	9 314	9 973	10 573
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	18	18	18	18	18	18	18	18	18	18	18	18	221	236	248
Interest earned - external investments	184	184	184	184	184	184	184	184	184	184	184	184	2 212	2 225	2 336
Interest earned - outstanding debtors	233	233	233	233	233	233	233	233	233	233	233	233	2 798	2 966	3 115
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 900	4 000
Transfer receipts - operational	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	5 427	65 122	62 434	62 211
Other revenue	593	593	593	593	593	593	593	593	593	593	593	593	7 115	7 572	7 927
Cash Receipts by Source	22 174	22 174	22 174	22 174	22 174	22 174	22 174	22 174	22 174	22 174	22 174	22 174	266 091	280 792	296 655
Other Cash Flows by Source															
Transfer receipts - capital	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	2 644	31 731	37 464	38 562
Contributions recognised - capital & Contributed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	24 827	24 827	24 827	24 827	24 827	24 827	24 827	24 827	24 827	24 827	24 827	24 827	297 923	318 356	335 317
Cash Payments by Type															
Employee related costs	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	9 133	109 596	116 429	121 691
Remuneration of councillors	593	593	593	593	593	593	593	593	593	593	593	593	7 121	7 548	7 926
Finance charges	42	42	42	42	42	42	42	42	42	42	42	42	502	460	470
Bulk purchases - Electricity	7 329	7 329	7 329	7 329	7 329	7 329	7 329	7 329	7 329	7 329	7 329	7 329	87 946	94 982	104 480
Bulk purchases - Water & Sewer	610	610	610	610	610	610	610	610	610	610	610	610	7 315	7 754	8 142
Other materials	897	897	897	897	897	897	897	897	897	897	897	897	10 768	11 806	12 397
Contracted services	741	741	741	741	741	741	741	741	741	741	741	741	8 897	9 431	9 903
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	2 786	2 786	2 786	2 786	2 786	2 786	2 786	2 786	2 786	2 786	2 786	2 786	33 437	34 962	36 546
Cash Payments by Type	22 132	22 132	22 132	22 132	22 132	22 132	22 132	22 132	22 132	22 132	22 132	22 132	265 583	283 372	301 554
Other Cash Flows/Payments by Type															
Capital assets	4 472	4 472	4 472	4 472	4 472	4 472	850	850	850	850	850	850	31 936	37 464	38 562
Repayment of borrowing	119	119	119	119	119	119	119	119	119	119	119	119	1 425	299	148
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	26 723	26 723	26 723	26 723	26 723	26 723	23 101	23 101	23 101	23 101	23 101	23 101	298 944	321 135	340 264
NET INCREASE/(DECREASE) IN CASH HELD	(1 896)	(1 896)	(1 896)	(1 896)	(1 896)	(1 896)	1 726	1 726	1 726	1 726	1 726	1 726	(1 022)	(2 779)	(4 947)
Cash/cash equivalents at the month/year begin:	17 628	15 732	13 836	11 940	10 043	8 147	6 251	7 977	9 703	11 429	13 154	14 880	17 628	16 606	13 828
Cash/cash equivalents at the month/year end:	15 732	13 836	11 940	10 043	8 147	6 251	7 977	9 703	11 429	13 154	14 880	16 606	16 606	13 828	8 881

Table 52 MBRR Table SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Parent Municipality:													
<u>Revenue Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:													
<u>Revenue Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 53 MBRR Table SA 34a - Capital expenditure on new assets by asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	7 461	12 420	7 436	5 500	6 950	6 950	10 000	23 500	2 000
Infrastructure - Road transport	6 175	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges	6 175								
Storm water									
Infrastructure - Electricity	1 286	5 385	7 436	5 500	5 500	5 500	10 000	11 000	-
Generation					-				
Transmission & Reticulation	1 286		7 321	5 500	5 500	5 500	10 000	11 000	
Street Lighting		5 385	115		-				
Infrastructure - Water	-	-	-	-	-	-	-	500	-
Dams & Reservoirs								500	
Water purification									
Reticulation									
Infrastructure - Sanitation	-	7 035	-	-	-	-	-	12 000	2 000
Reticulation								12 000	2 000
Sewerage purification		7 035							
Infrastructure - Other	-	-	-	-	1 450	1 450	-	-	-
Waste Management					1 450	1 450			
Transportation									
Gas									
Other									
Community	148	97	450	-	100	100	-	-	-
Parks & gardens					-	-			
Sportsfields & stadia			450		-	-			
Swimming pools					-	-			
Community halls	148	97			100	100			
Libraries					-				
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Other assets	67	166	688	2 690	2 819	2 819	205	-	-
General vehicles				750	740	740	150		
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment		110	122	1 255	1 182	1 182			
Computers - hardware/equipment		30	109	258	258	258			
Furniture and other office equipment	67	26	61	57	259	259	55		
Abattoirs					-	-			
Markets					-	-			
Civic Land and Buildings					-	-			
Other Buildings			395	150	204	204			
Other Land					-	-			
Surplus Assets - (Investment or Inventory)					-	-			
Other			-	220	176	176			
Total Capital Expenditure on new assets	7 676	12 683	8 573	8 190	9 869	9 869	10 205	23 500	2 000

Table 54 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	17 876	19 053	32 421	31 992	50 863	50 863	21 731	13 964	36 562
Infrastructure - Road transport	–	13 893	22 534	5 624	23 687	23 687	–	9 964	21 562
Roads, Pavements & Bridges		13 893	22 534	5 624	23 687	23 687		9 964	21 562
Storm water					–	–			
Infrastructure - Electricity	–	943	9 629	–	–	–	–	4 000	15 000
Generation									
Transmission & Reticulation			9 629					4 000	15 000
Street Lighting		943							
Infrastructure - Water	12 320	950	–	300	4 915	4 915	–	–	–
Dams & Reservoirs	12 320				–	–			
Water purification					4 615	4 615			
Reticulation		950		300	300	300			
Infrastructure - Sanitation	5 556	3 267	258	26 067	22 261	22 261	21 731	–	–
Reticulation		3 267		2 000	1 430	1 430			
Sewerage purification	5 556		258	24 067	20 831	20 831	21 731		
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Gas									
Other									
Community	11	2 782	2 662	695	3 573	3 573	–	–	–
Parks & gardens		2 037	1 908		985	985			
Sportsfields & stadia	11				1 892	1 892			
Swimming pools					–	–			
Community halls		745	754	245	245	245			
Libraries				200	200	200			
Recreational facilities					–	–			
Fire, safety & emergency					–	–			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries					–	–			
Social rental housing					–	–			
Other				250	250	250			
Other assets	–	–	–	430	603	603	–	–	–
General vehicles									
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment					–	–			
Computers - hardware/equipment					–	–			
Furniture and other office equipment					–	–			
Abattoirs					–	–			
Markets					–	–			
Civic Land and Buildings					–	–			
Other Buildings				350	523	523			
Other Land				80	80	80			
Surplus Assets - (Investment or Inventory)									
Other									
Total Capital Expenditure on renewal of existing	17 887	21 835	35 083	33 117	55 039	55 039	21 731	13 964	36 562
Renewal of Existing Assets as % of total capex	70.0%	63.3%	80.4%	80.2%	84.8%	84.8%	68.0%	37.3%	94.8%
Renewal of Existing Assets as % of deprechn"	58.9%	92.7%	83.4%	108.2%	179.8%	179.8%	67.0%	40.6%	101.3%

Table 55 MBRR Table SA34c - Repair and maintenance expenditure by asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	5 926	20 204	29 853	31 689	31 489	31 489	34 328	36 387	37 661
Infrastructure - Road transport	1 602	5 037	8 597	8 869	8 869	8 869	9 467	10 035	10 537
Roads, Pavements & Bridges	1 602	5 037	8 597	8 869	8 869	8 869	9 467	10 035	10 537
Storm water									
Infrastructure - Electricity	1 256	5 011	7 152	8 200	8 200	8 200	9 206	9 758	10 246
Generation					-	-			
Transmission & Reticulation	1 198	4 972	7 094	8 139	8 139	8 139	9 141	9 689	10 173
Street Lighting	58	40	58	61	61	61	65	69	72
Infrastructure - Water	2 560	7 465	10 442	11 105	10 905	10 905	11 578	12 272	12 886
Dams & Reservoirs	186	454	296	370	170	170	180	191	200
Water purification	-				-	-			
Reticulation	2 374	7 011	10 145	10 735	10 735	10 735	11 398	12 082	12 686
Infrastructure - Sanitation	508	2 690	3 662	3 516	3 516	3 516	4 077	4 322	3 992
Reticulation					-	-			
Sewerage purification	508	2 690	3 662	3 516	3 516	3 516	4 077	4 322	3 992
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
Community	261	224	140	398	338	338	273	448	471
Parks & gardens					-	-			
Sportsfields & stadia	235	175	135	273	263	263	139	307	322
Swimming pools					-	-	-	-	-
Community halls				40	20	20	42	45	47
Libraries					-	-	-	-	-
Recreational facilities					-	-	-	-	-
Fire, safety & emergency					-	-	-	-	-
Security and policing					-	-	-	-	-
Buses					-	-	-	-	-
Clinics					-	-	-	-	-
Museums & Art Galleries					-	-	-	-	-
Cemeteries					-	-	-	-	-
Social rental housing					-	-	-	-	-
Other	26	49	5	85	55	55	91	97	102
Other assets	1 909	744	1 616	2 223	2 615	2 615	3 299	3 497	3 672
General vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	676		627	832	775	775	895	949	996
Computers - hardware/equipment	-				-	-			
Furniture and other office equipment	93		37	146	108	108	109	115	121
Abattoirs	-				-	-			
Markets	-				-	-			
Civic Land and Buildings	322	105	300	462	625	625	662	702	737
Other Buildings	-				-	-			
Other Land	715	639	542	683	983	983	1 500	1 590	1 670
Surplus Assets - (Investment or Inventory)	-				-	-			
Other	104		111	100	125	125	133	141	148
Total Repairs and Maintenance Expenditure	8 096	21 172	31 610	34 310	34 442	34 442	37 900	40 333	41 804
R&M as a % of PPE	1.0%	2.6%	3.6%	4.0%	3.8%	3.8%	4.1%	4.4%	4.5%
R&M as % Operating Expenditure	3.7%	9.5%	10.7%	11.6%	11.2%	11.2%	11.2%	11.2%	10.9%

Table 56 MBRR Table SA 34d – Depreciation by asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class									
Infrastructure	20 408	17 579	28 349	21 317	21 317	21 317	22 596	23 952	25 149
Infrastructure - Road transport	8 211	8 112	11 375	9 638	9 638	9 638	10 216	10 829	11 371
Roads, Pavements & Bridges	8 211	8 112	11 375	9 638	9 638	9 638	10 216	10 829	11 371
Storm water									
Infrastructure - Electricity	4 131	2 290	3 714	2 990	2 990	2 990	3 169	3 360	3 528
Generation					-	-			
Transmission & Reticulation	4 131	2 290	3 714	2 990	2 990	2 990	3 169	3 360	3 528
Street Lighting					-	-			
Infrastructure - Water	5 748	4 906	6 491	5 755	5 755	5 755	6 100	6 466	6 790
Dams & Reservoirs					-	-			
Water purification					-	-			
Reticulation	5 748	4 906	6 491	5 755	5 755	5 755	6 100	6 466	6 790
Infrastructure - Sanitation	2 319	2 271	6 769	2 934	2 934	2 934	3 110	3 297	3 462
Reticulation					-	-			
Sewerage purification	2 319	2 271	6 769	2 934	2 934	2 934	3 110	3 297	3 462
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
Community	6 033	2 528	1 985	5 450	5 450	5 450	5 777	6 124	6 430
Parks & gardens					-	-			
Sportsfields & stadia					-	-			
Swimming pools					-	-			
Community halls	5 348	2 220	1 143	4 148	4 148	4 148	4 396	4 660	4 893
Libraries					-	-			
Recreational facilities	685	308	842	1 303	1 303	1 303	1 381	1 464	1 537
Fire, safety & emergency					-	-			
Security and policing					-	-			
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Other assets	3 938	3 442	11 750	3 836	3 836	3 836	4 066	4 311	4 526
General vehicles	1 567	332	391	416	416	416	440	467	495
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	289		183	-	-	-			
Computers - hardware/equipment				-	-	-			
Furniture and other office equipment	874	110	1 638	121	121	121	129	136	145
Abattoirs				-	-	-			
Markets				-	-	-			
Civic Land and Buildings			9 161	-	-	-			
Other Buildings			258	-	-	-			
Other Land	313			-	-	-			
Surplus Assets - (Investment or Inventory)				-	-	-			
Other	895	2 999	120	3 299	3 299	3 299	3 497	3 707	3 886
Total Depreciation	30 379	23 549	42 084	30 604	30 604	30 604	32 439	34 386	36 105

Table 57 MBRR Table SA 35 - Future financial implications of the Capital budget

Vote Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure							
Vote 1 - EXECUTIVE AND COUNCIL	–	–	–				
Vote 2 - BUDGET AND TREASURY	30	–	–				
Vote 3 - SOCIAL SERVICES	150	–	–				
Vote 4 - CORPORATE SERVICES	25	–	–				
Vote 5 - TECHNICAL SERVICES	31 731	37 464	38 562				
Vote 6 - PLANNING AND DEVELOPMENT	–	–	–				
Vote 7 - [NAME OF VOTE 7]	–	–	–				
Vote 8 - [NAME OF VOTE 8]	–	–	–				
Vote 9 - [NAME OF VOTE 9]	–	–	–				
Vote 10 - [NAME OF VOTE 10]	–	–	–				
Vote 11 - [NAME OF VOTE 11]	–	–	–				
Vote 12 - [NAME OF VOTE 12]	–	–	–				
Vote 13 - [NAME OF VOTE 13]	–	–	–				
Vote 14 - [NAME OF VOTE 14]	–	–	–				
Vote 15 - [NAME OF VOTE 15]	–	–	–				
List entity summary if applicable							
Total Capital Expenditure	31 936	37 464	38 562	–	–	–	–
Future operational costs by vote							
Vote 1 - EXECUTIVE AND COUNCIL							
Vote 2 - BUDGET AND TREASURY							
Vote 3 - SOCIAL SERVICES							
Vote 4 - CORPORATE SERVICES							
Vote 5 - TECHNICAL SERVICES							
Vote 6 - PLANNING AND DEVELOPMENT							
Vote 7 - [NAME OF VOTE 7]							
Vote 8 - [NAME OF VOTE 8]							
Vote 9 - [NAME OF VOTE 9]							
Vote 10 - [NAME OF VOTE 10]							
Vote 11 - [NAME OF VOTE 11]							
Vote 12 - [NAME OF VOTE 12]							
Vote 13 - [NAME OF VOTE 13]							
Vote 14 - [NAME OF VOTE 14]							
Vote 15 - [NAME OF VOTE 15]							
List entity summary if applicable							
Total future operational costs	–	–	–	–	–	–	–
Future revenue by source							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue	–	–	–	–	–	–	–
Net Financial Implications	31 936	37 464	38 562	–	–	–	–

Table 58 MBRR Table SA 36 - Detailed capital budget

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
R thousand			2	6	3	3	5								
Parent municipality:															
List all capital projects grouped by Municipal Vote															
Cemetery	Equipment		A	Yes	Other Assets	Plant & equipment				200					New
Library	Repairing of Library roof and floor		A	Yes	Community	Libraries				200				8	Renewal
Parks and Recreation	Tractor	MLM/BSP1	A	Yes	Other Assets	General vehicles		150			150				New
	Tools and Equipment		A	Yes	Other Assets	Plant & equipment			52	355					New
	Development of Modimolle Parks		A	Yes	Community	Parks & gardens			1 719	252					
	Development of Modimolle Sports Facility Ext 6		A	Yes	Community	Sportsfields & stadia				1 892					Renewal
	Development of Parks phase 2(Phagameng,Leseding & Mabaleng)	SP04	A	Yes	Community	Parks & gardens				733					Renewal
	Development of Modimolle Sport Facility		A	Yes	Community	Sportsfields & stadia			450						
Traffic	Equipment		A	Yes	Other Assets	Plant & equipment			14	75					New
	Upgrading of Testing Station		A	Yes	Community	Other				250				8	Renewal
Refuse Removal	Mini Mass Containers		A	Yes	Other Assets	Other				176					New
	Development of New Modimolle Landfill site		A	Yes	Infrastructure - Other	Waste Management				1 450					New
	Equipment								60						
Municipal Buildings	Refurbishment of Phagameng Hall		E	Yes	Community	Community halls				245					Renewal
	Modimolle Market Stalls		E	Yes	Community	Community halls			754	100					New
	Cutlery		E	Yes	Other Assets	Furniture and other office equipment				5					New
	Security Equipment		E	Yes	Other Assets	Plant & equipment				125					New
	Equipment		E	Yes	Other Assets	Furniture and other office equipment			9	10					New
	Fencing of old Lesedi community hall		E	Yes	Community	Community halls			189						
Local Economic Development	Rehabilitation of Industrial Sites		B	Yes	Other Assets	Other Land				80					Renewal
Administration	Office Equipment	MLM/MTA1	F	Yes	Other Assets	Furniture and other office equipment		25		61	25				New
Office Bearers	Mayoral Car			Yes	Other Assets	General vehicles				740					New
	Equipment			Yes	Other Assets	Furniture and other office equipment				10					New
Information Technology	Connectivity of Remote sites		F	Yes	Other Assets	Other Buildings				150					New
	IT Equipment		F	Yes	Other Assets	Computers - hardware/equipment				250					New
	Furniture		F	Yes	Other Assets	Furniture and other office equipment				9					New
	Cabling at commando offices		F	Yes	Other Assets	Computers - hardware/equipment			84						New

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
R thousand			2	6	3	3	5								
Parent municipality:															
Budget and Treasury	Office Equipment		D	Yes	Other Assets	Furniture and other office equipment		30	47	105	30				New
	Computers		D	Yes	Other Assets	Computers - hardware/equipment				38					New
	Airconditioners		D	Yes	Other Assets	Other Buildings				18					New
Town Planning	Airconditioners		C	Yes	Other Assets	Other Buildings				36					New
Public Works	Paving Phagameng Ext. 10 streets	MLM/BSR3	E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		9 870				3 070	6 800	5	Renewal
	Modimolle Paving of Streets	MLM/BSR4	E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		9 755	960	1 993		1 993	7 762	8	Renewal
	Mabaleng paving of streets	MLM/BSR5	E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		3 900				1 900	2 000	2	Renewal
	Storm Water Drainage	MLM/BSR8	E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		4 000					4 000	6	Renewal
	Paving of Roads Mabatlane	MLM/BSR6	E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		4 000				3 000	1 000	1 & 2	Renewal
	Phagameng str phase 4		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			3 952	4 500					Renewal
	Phagameng str phase 4		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			4 327	1 879					Renewal
	Paving of Streets - Leseding Ext 2		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges				4 550					Renewal
	Renovations of Office Space		E	Yes	Other Assets	Other Buildings				473					Renewal
	Guard house - Mabatlane substation		E	Yes	Other Assets	Other Buildings				50					Renewal
	Rehabilitation of Lillian Ngoyi road and low level bridge		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges				7 761					Renewal
	Limpopo Low Level Bridge		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			1 090	3 004					Renewal
	Paving of freedom park ring road		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			2 406						
	Mabatlane ext 4 paving of ring road		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			3 231						
	Rehabilitation of Lillian Ngoyi road & low level bridge		E	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			6 569						
	Equipment		E	Yes	Other Assets	Plant & equipment				427					New
Project Management Unit	Computers	PMU02	E	Yes	Other Assets	Computers - hardware/equipment				8					New
	Furniture	PMU01	E	Yes	Other Assets	Furniture and other office equipment			1	22					New
	Mobile offices				Infrastructure - Other	Buildings			395						
Sanitation	Phagameng Ext 11 Sanitation														
	Reticulation	MLM/BSW3	E	Yes	Infrastructure - Sanitation	Reticulation		6 000				6 000		6	New
	Mabatlane Ext 1,2 & 4 Sewer Reticulation	MLM/BSW5	E	Yes	Infrastructure - Sanitation	Reticulation		2 000					2 000	3	New
	Modimolle waste water treatment works	MLM/BSW1	E	Yes	Infrastructure - Sanitation	Reticulation		42 820	258	20 831	21 731			8	Renewal
	Mabatlane/Leseding Ext 3 & 6 Sanitation Reticulations	MLM/BSW4	E	Yes	Infrastructure - Sanitation	Reticulation		6 000				6 000		2	New
	Mabatlane Sewer Reticulation Ext 2 & 4	WAT01	E	Yes	Infrastructure - Sanitation	Reticulation				430					Renewal
	Phagameng Ext 11 Sanitation Reticulations		E	Yes	Infrastructure - Sanitation	Reticulation				500					Renewal
	Mabatlane/Leseding Ext 3 Sanitation Reticulation		E	Yes	Infrastructure - Sanitation	Reticulation				500					Renewal

Municipal Vote/Capital project				Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates		Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	Program/Project description	Project number	IDP Goal code					Total Project Estimate	Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:															
Electrotechnical	Electrification of Mabadlane Ext 3	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		8 567		1 667	6 900			2 & 3	New
	Electrification of Mabadlane Ext 6	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		3 967		1 667	2 300				2 New
	Electrification of Phagameng ext 11	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		2 466		1 666	800				6 New
	Upgrade of Police Line	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		13 000				3 000	10 000		8 Renewal
	Electrification of Mabaleng	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		3 500				3 500			2 New
	Upgrading of internal Infrastructure	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		2 500					2 500		8 Renewal
	Upgrading of Line around Meatrite	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		2 500					2 500		8 Renewal
	Review of the Electricity Master Plan	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		1 000				1 000			8 Renewal
	Electrification of Phagameng ext 13	MLM/BSE4	E	Yes	Infrastructure - Electricity	Transmission & Reticulation		7 500				7 500			6 New
	Smart Prepaid Meters and Software		E	Yes	Infrastructure - Electricity	Transmission & Reticulation				500					New
	Mabadlane transformer		E	Yes	Infrastructure - Electricity	Transmission & Reticulation			2 177						Renewal
	Phagameng ext 9 street lights		E	Yes	Infrastructure - Electricity	Street Lighting			115						
	Electrification of phagameng ext 10		E	Yes	Infrastructure - Electricity	Transmission & Reticulation			7 321						
	Energy efficiency and demand side manager		E	Yes	Infrastructure - Electricity	Transmission & Reticulation			6 271						
	Upgrade of electrification of internal reticulation		E	Yes	Infrastructure - Electricity	Transmission & Reticulation			1 181						
Water	Modimolle Industrial Site Pressure Tower	MLM/BSW2	E	Yes	Infrastructure - Water	Dams & Reservoirs		500				500			New
	Replacement of asbestos lines		E	Yes	Infrastructure - Water	Reticulation				300					Renewal
	Donkerpoort Water Works		E	Yes	Infrastructure - Water	Water purification				4 615					Renewal
	Office equipment		E	Yes	Other Assets	Furniture and other office equipment			1						
	Computers		E	Yes	Other Assets	Computers - hardware/equipment			25						
Parent Capital expenditure															
Total Capital expenditure															

LIM365 Modimolle - Supporting Table SA37 Projects delayed from previous financial year/s

Enables medium-term supporting table of capital projects delayed from previous financial years												
Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand							Year					
Parent municipality: List all capital projects grouped by Municipal Vote												
				Examples	Examples							

Part 3 – SUPPORTING DOCUMENTS

1. OVERVIEW OF THE ANNUAL BUDGET PROCESS

In undertaking its annual budget process, ModimolleLocalMunicipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability. The municipality engaged its various stakeholders in preparing this 2015/16 MTREF budget, including the communities in all the eight (8) wards, the local Chamber of Commerce and national and provincial government departments. These stakeholders are diverse and included local SMMEs, formal businesses, street vendors, agricultural and mining communities as well as ordinary members of our communities.

Modimolle Local Municipality engaged in the IDP and Budget processes as one process. The objective was to strengthen the synergy between the IDP and the Budget to ensure that they are consistent and linked. This new process had some hiccups but these will be addressed as more experience is gained in this initiative. From these community participation and consultation processes, the municipality identified and prioritised the needs of the communities. As is almost always the case in any budget process, some priorities were identified that could not be funded in the 2014/15 financial year. These priorities and their related programmes/ projects were then included in the medium term IDP for funding consideration once additional funding becomes available, currently or in the future years.

In all these public consultation and participation process, including internal prioritisation and negotiation processes, the Mayor played an active oversight role over the IDP and Budget as required by Section 53(1) (a) of the MFMA, which states that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. Under the guidance of the Mayor, engagements were also held over a number of days with the Councillors in the budget and prioritisation processes. The table below is an extract of the key deadlines relating to the Budget and IDP processes as required by Section 21(1) (b) of the Municipal Finance Management Act, 2003.

Table 59 - Summary of key deadlines in the budget and IDP process

Processes and activities	Responsibility	Date
Table and approval of 2014/15 adjustment budget to Council	Mayor	25 Feb 2015
Tabling of 2015/16 budget	Mayor, Council	31 Mrt 2015
Submission of tabled budget to National and Provincial Treasuries	MM	10 April 2015
Public hearings on budget, IDP and budget policies	Mayor	1 April – 30 April 2015
Approval of 2015/16 IDP, budget and budget policies	Council	29 May 2015
Submission of draft SDBIP and draft performance agreements of Snr Managers to Mayor	MM	12 June 2015
Approval of SDBIP and performance agreements of Snr Managers	Mayor	26 June 2015
Submission of approved budget, IDP, SDBIP and performance agreements to National and Provincial Treasuries and other interested parties	MM	12 June 2015

2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN

In reviewing the IDP and preparing the 2015/16 MTREF, public consultations were conducted with various stakeholders in order to identify their needs and priorities. As mentioned in the preceding section, the municipality collated the information and prioritized the needs. When determining the available funding against the needs and projects, due consideration was given to the operating expenditure implications for the capital projects over the lifespan of the projects.

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor immediately after the budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

The key financial indicators and ratios are contained in Supporting Table 8.

4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

4.1 Water Service Authority and Water Service Provider

Modimolle is the Water Service Authority (WSA) and Magalies Water Board serve as the Water Service Provider (WSP), providing only a portion of the bulk requirements to Modimolle. Modimolle LM operates both the Water and Waste Water Treatment Works.

4.2 Blue and Green Drop Rating

The overall Blue drop rating for the Municipality is standing at 70.10%. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment works require at least a Class III Process Controller and our employees are sitting at Class 0. Upgrade of the Raw and Final Water pipeline for Donkerpoort and drilling of more boreholes for Mabatlane and Mabaleng are also areas for concern.

The overall Green Drop PAT rating is currently sitting at 43.3%. No score or report issued for the 2014/15 audit. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment works require at least a Class III Process Controller and our employees are sitting at Class 0.

4.3 Water Safety Plan and Waste Water Risk Abatement Plan(W₂RAP)

The water safety plan is being reviewed annually and items that emanate from the risk assessment are being included in the budget.

Department of Water Affairs assisted the municipality in developing the wastewater risk abatement plan.

4.4 Challenges with regards to management of drinking water and waste water Ageing infrastructure

Skills and qualifications of our process.

Water quality analysis instruments.

Limited operations and maintenance budget for both water and wastewater treatment works including the distribution networks.

Failing infrastructure

5. OVERVIEW OF BUDGET RELATED POLICIES

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. ModimolleLocal Municipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed, and other policies are in the process of review, to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable.

5.1. The following policies were amended after the review process;

- Credit control and debt collection policy- Clause 6.5.2.4 and 7.9.1(b)
- Supply Chain Management Policy- Clauses 4(b),(c),(d) and (e)
-12(1)(g)

-18(h)
-20(e)
-27(5)
-36(2)(a),(5) and (6)
-54(3) and (4)

5.2. The following budget related policies is not included in the document and needs to be developed:

- Borrowing policy
- Funding and Reserves Policy
- Policy relating to long term financial planning
- Budget Implementation and Management Policy

6. OVERVIEW OF BUDGET ASSUMPTIONS

In MFMA Circular 54,66,67 & 70 the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline avoid unnecessary, nice-to-have and non-priority expenditure. The following examples were given:
 - expenditure on membership and other related costs associated with The South African Municipal Sports and Recreation Association (SAMSRA)
 - excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
 - public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
 - LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
 - excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
 - arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
 - excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
 - excessive luxurious office accommodation and office furnishings;
 - foreign travel by mayors, councillors and officials, particularly 'study tours'
 - excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7 (1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different

- members of municipal councils and any budget provision may not be outside this framework;
- excessive staff in the office of the mayor – particularly the appointment of political ‘advisors’ and ‘spokespersons’;
- all donations to individuals that are not made in terms of the municipality’s indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
- costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’; and
- the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;
- excessive overtime.
- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

Table 60 - Budget assumptions

Financial year	2013/14 Actual	2014/15 Estimate	2015/16	2016/17	2017/18
Headline CPI inflation	5.6%	6.2%	5.8%	5.5%	5.3%
Revenue collection rate			95%	95%	95%
Salaries (LGBA)	6.84%	6.79%	7%	7%	7%

In its MFMA Circular 70, National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. Given that NERSA has released its guideline on municipal electricity price increases for 2015/16 of 12.2% and that Magalies Water indicated an increase to its bulk water tariffs by 10%, it is inconceivable for Modimolle Local Municipality, and other municipalities, to increase their tariffs within the National Treasury guidelines of 6%. However, this budget has made provision to assist and support indigent households to cushion against the impact of the high increases in the tariffs.

7. OVERVIEW OF BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

- (i) Realistically anticipated revenues to be collected;
- (ii) Cash-backed accumulated funds from previous years’ surpluses not committed for other purposes; and
- (iii) Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 94% to billings. This has resulted in moderate increase in the operating budget. The capital budget is funded out of grants received from National

Treasury and own income, An adjusted budget will be compiled for Council consideration once more funding becomes available from either internal and/ or external sources. The 2014 Division of Revenue Bill allocations to Modimolle Local Municipality are as follows for 2014/15 – 2016/17.

Table 61 - Grant allocations over the MTREF

Grant type (R'000)	2015/16	2016/17	2017/18
Equitable share	R59 775 000	R58 486 000	R57 795 000
Finance Management Grant	R 1 675 000	R 1 810 000	R 2 145 000
Municipal Infrastructure Grant	R22 875 000	R23 646 000	R24 802 000
Municipal Systems Improvement Grant	R 930 000	R 957 000	R 1 033 000
Extended Public Works Programme	R 1 598 000		
Intergrated National electrification Pro-gramm	R10 000 000	R15 000 000	R15 000 000

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure; and
- Municipal System Improvement Grant (MSIG) - This is a conditional grant designed to improve systems within the municipality.
-

8. EXPENDITURE ON ALLOCATIONS FOR PROVISIONS

Provision was made in the 2015/16 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 1 272 000
- Debt Impairment : R 15 900 000

Contributions in total amount to R 17 172 000 and this represents 5% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not make any grants or allocations to either individuals or organs of state.

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

The municipality made provision for an increase of 6% to councillors and 7% to employees allowances and benefits. The municipality made provision for 10 new permanent post in the budget and 4 contracted post.

The total employee related costs increased with 9.3% from the adjustment budget 2014/15. Senior Managers employee cost increased with 25.7% from 2014/15 financial year to 2015/16. This is mainly due to vacancies that exist in the 2014/15 financial year which resulted into savings or a reduced total adjustment budget and budgeted to be fully filled in the 2015/16 financial year.

❖ *See supporting table SA23 for the detail.*

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Monthly targets for revenue, expenditure and cash flow are attached as per supporting table 25.

12. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the tableing of the budget.

13. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

See supporting table SA33 for the municipality contracts having future budgetary implications for more than 3 years.

14. CAPITAL EXPENDITURE DETAILS FOR 2015/16

The supporting table SA36 shows the details of capital budget for the 2015/16 financial year. As the table shows, a combination of grant funding and own income will be used to fund the capital budget.

15. LEGISLATION COMPLIANCE DETAILS

This budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

16. QUALITY CERTIFICATION

I, NS Bambo, Municipal Manager of Modimolle Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: _____

Signature: _____

Date: _____

Part 4 – ANNEXURES

Annexure A: Tariff for Electricity

- Free Basic electricity to be provided for Indigents only in terms of Council's Indigent Policy;
- Schools, Tennis and Bowling Clubs to be levied on Municipal tariffs for electricity consumption.

Table 62: Electricity tariffs

Description	Current		Proposed	
RESIDENTIAL:				
Conventional and				
Units				
0 – 50	R	0.7179	R	0.8055
51 – 350	R	0.9087	R	1.0196
351 – 600	R	1.2281	R	1.3779
>600	R	1.4597	R	1.6378
Basic	R	75.5900	R	84.8120
Prepaid				
Units				
0 – 50	R	0.7406	R	0.8310
51 – 350	R	0.9546	R	1.0711
351 – 600	R	1.2208	R	1.3697
>600	R	1.4597	R	1.6378
BUSINESS:				
- Basic	R	391.9800	R	439.8016
- Unit	R	1.3380	R	1.5012
BULK:				
- Basic	R	389.3900	R	436.8956
- Unit	R	0.6291	R	0.7059
- KVA	R	140.6000	R	157.7532
MUNICIPAL	R	0.9700	R	1.0883

Annexure B: Tariff for Supply of Water

- Free Basic water to be provided for Indigents only in terms of Council's Indigent Policy
- A proposed tariff increase of 10 % to 12% for Modimolle/Phagameng and 20% to 22% for Vaalwater/Alma is provided for.
- Schools, Tennis and Bowling Clubs will be levied on Municipal tariffs for metered water consumption.

DESCRIPTION	CURRENT	PROPOSED
RESIDENTIAL:		
<u>Modimolle/Phagameng</u>		
- 0 - 20 kl per 30-day period	R 12.57	R 13.83
- 21 - 30 kl per 30-day period	R 16.93	R 18.96
- 31 kl and above	R 19.98	R 22.38
<u>Vaalwater/Alma</u>		
- 0 – 20 kl per 30-day period	R 9.58	R 11.50
- 21 -30 kl per 30-day period	R 15.34	R 18.71
- 31 kl and above	R 18.10	R 22.08
BUSINESS:		
Modimolle/Phagameng 0 - 30 kl	R 17.56	R 19.49
> 31 kl		R 22.38
Vaalwater/Alma	R 16.19	R 19.49
> 31 kl		R 22.38
BULK:		
Modimolle/Phagameng	R 16.31	R 18.10
Kokanje Retirement Village	R 14.63	R 16.24
Vaalwater/Alma		
- 0 - 5 kl per 30-day period	R 4.89	R 5.97
- 6 -10 kl per 30-day period	R 7.24	R 8.83
- 11 - 30 kl per 30-day period	R 10.23	R 12.48
- more than 30 kl per 30-day period	R 11.95	R 14.58
MUNICIPAL	R 9.74	R 10.81

Annexure C: Tariff for Refuse Removal

- A proposed tariff increase of 6% is provided for.
- Free refuse removal is to be provided for indigent households only in terms of Council's Indigent Policy.

Table 63: Refuse Removal

Annexure C: Tariff for Refuse Removal • A proposed tariff increase of 6% is provided for. • Free refuse removal is to be provided for indigent households only in terms of Council's Indigent Policy.		
DESCRIPTION	CURRENT	PROPOSED
Residential:		
Residential 1		
Modimolle	R 79.41	R 84.17
Phagameng	R 79.41	R 84.17
Vaalwater/Alma	R 79.41	R 84.17
Residential 2		
Modimolle		R 673.36
Phagameng		R 673.36
Vaalwater/Alma		R 673.36
Residential 3		
Modimolle		R 1,683.40
Phagameng		R 1,683.40
Vaalwater/Alma		R 1,683.40
Business:		
Modimolle/Phagameng	R 237.82	R 252.09
Vaalwater/Alma	R 237.82	R 252.09
*This tariff should not apply to businesses that rented yellow skips		

Mini Mass:		
Rental		
Modimolle/ Phagameng	R 503.88	R 534.11
Vaalwater/Alma	R 503.88	R 534.11
Collection of rented yellow bin		
Residential		
Modimolle/Phagameng		R 84.19 per collection
Vaalwater/Alma		R 84.19 per collection
Business		
Modimolle/Phagameng		R 252.09 per collection
Vaalwater/Alma		R 252.09 per collection
Bulk:	R 1 546.33	R 1 639.10
Refuse disposal at municipal landfill site		
1. Disposal of general waste weighing less than 1000 kg by public (less than 1 ton)		R 50.00
2. Disposal of general waste weighing more than 1001 kg to 1500 kg by public (1 – 1,5 ton)		R 112.36
3. Disposal of general waste weighing 1501 to 2000kg by public (1,5 to 2 ton)		R 168.54
4. Disposal of general waste weighing 2001-5000kg by public		R 280.90
5. Disposal of general waste weighing 5001kg-10 000kg by public (5 to 10 ton)		R 449.44
6. Disposal of general waste weighing 10001-more by public (more than 10 ton)		R 674.16

Annexure D: Tariff for Sanitation

- The sanitation tariffs are determined on the size of the stand and per toilet connection.
- A tariff increase of 6% is provided for.
- Free sanitation to be provided for indigent households only in terms of Council's Indigent Policy.

Table 64: Sanitation Tariffs

DESCRIPTION	CURRENT	PROPOSED
Modimolle/Phagameng		
Basic		
Size of stand:		
0 - 600 m ²	R 31.68	R 33.58
600 - 1 983 m ²	R 63.67	R 67.49
1 983 - 2 975 m ²	R 84.34	R 89.40
2 975 - 3 966 m ²	R 105.56	R 111.89
3 966 - 4 957 m ²	R 126.50	R 134.09
4 957 - 9 914 m ²	R 147.58	R 156.43
above 9 914 m ² (every 992 m ²)	R 3.54	R 3.75
Per toilet (Minimum with no water consumption)	R 53.61	R 56.83
Per kl of Water Consumptions (40%)	R 0.00	R 7.04
Vaalwater/Alma		
Basic	As above	As above
Per toilet (Minimum with no water consumption)	R 31.28	R 33.16
Per kl of Water Consumptions (40%)	R 0.00	R 7.04
Vacuum tank	R 78.80	R 83.53

Annexure E: Tariff for Property Rates

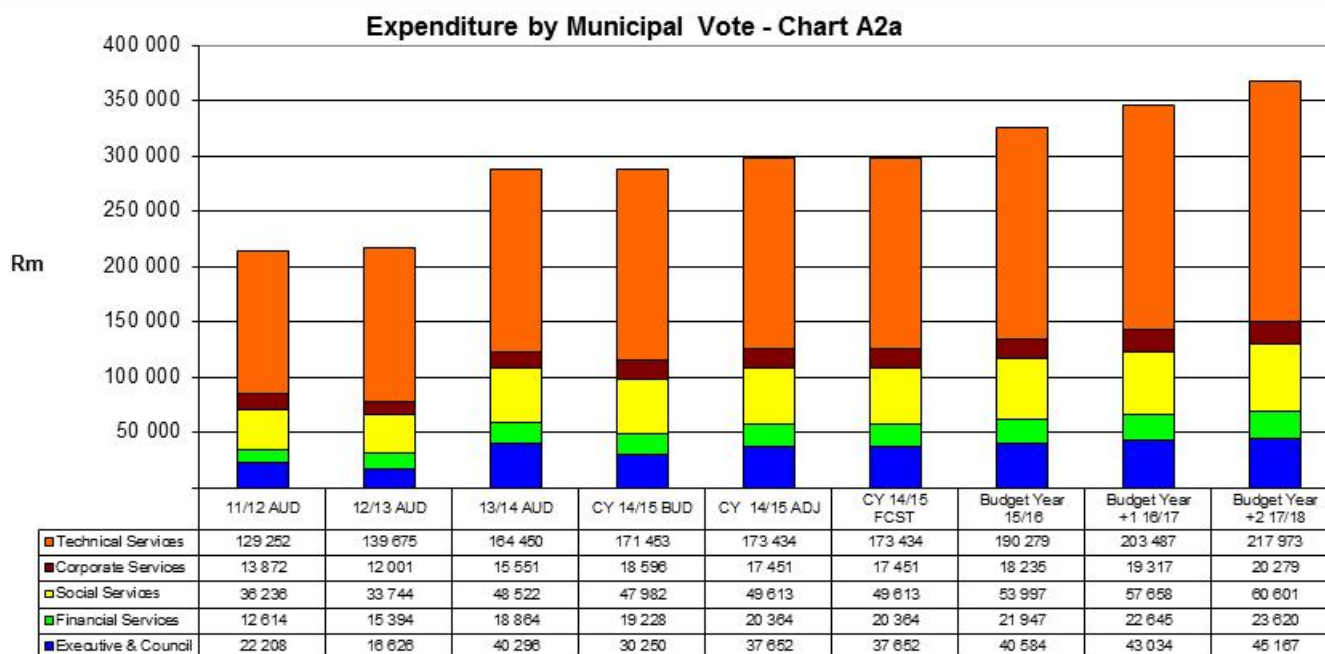
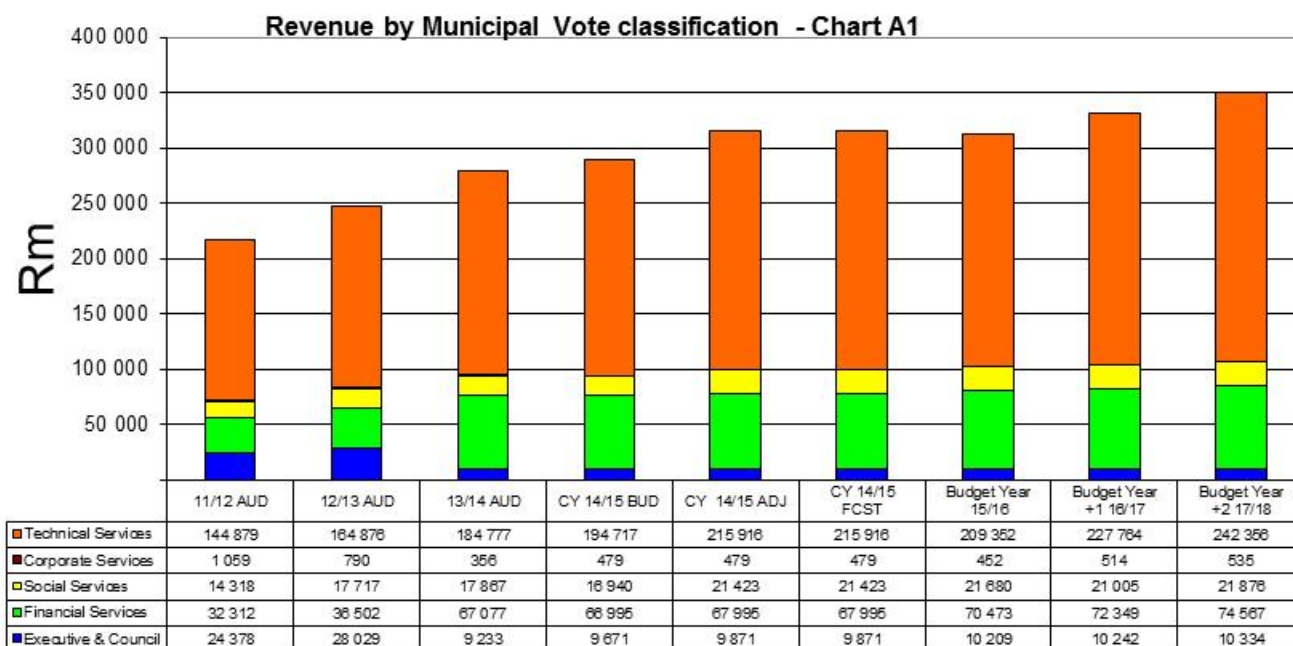
- Tariff increase as follows:
 - Residential properties: 6%
 - Businesses and commercial properties: 6%
- In terms of the Property Rates Policy 2009/10 as adopted by Council in 2008, the municipality may levy different Rates for different categories of Property.
- Rebates are granted as per the Property Rates Policy.

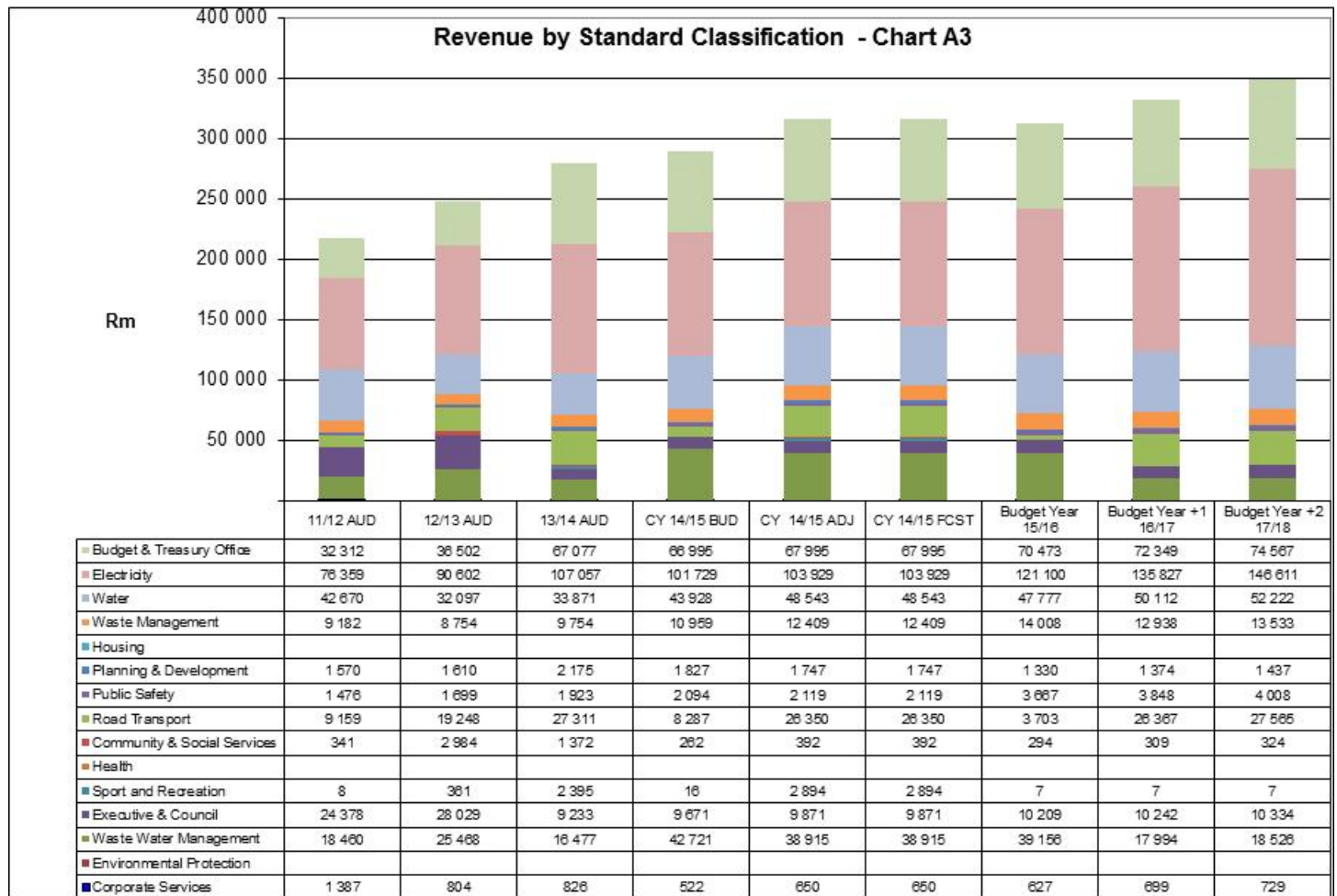
Table 5 indicates the rate for the 2015/16 financial year for Modimolle Local Municipality and is approved for the following categories of property.

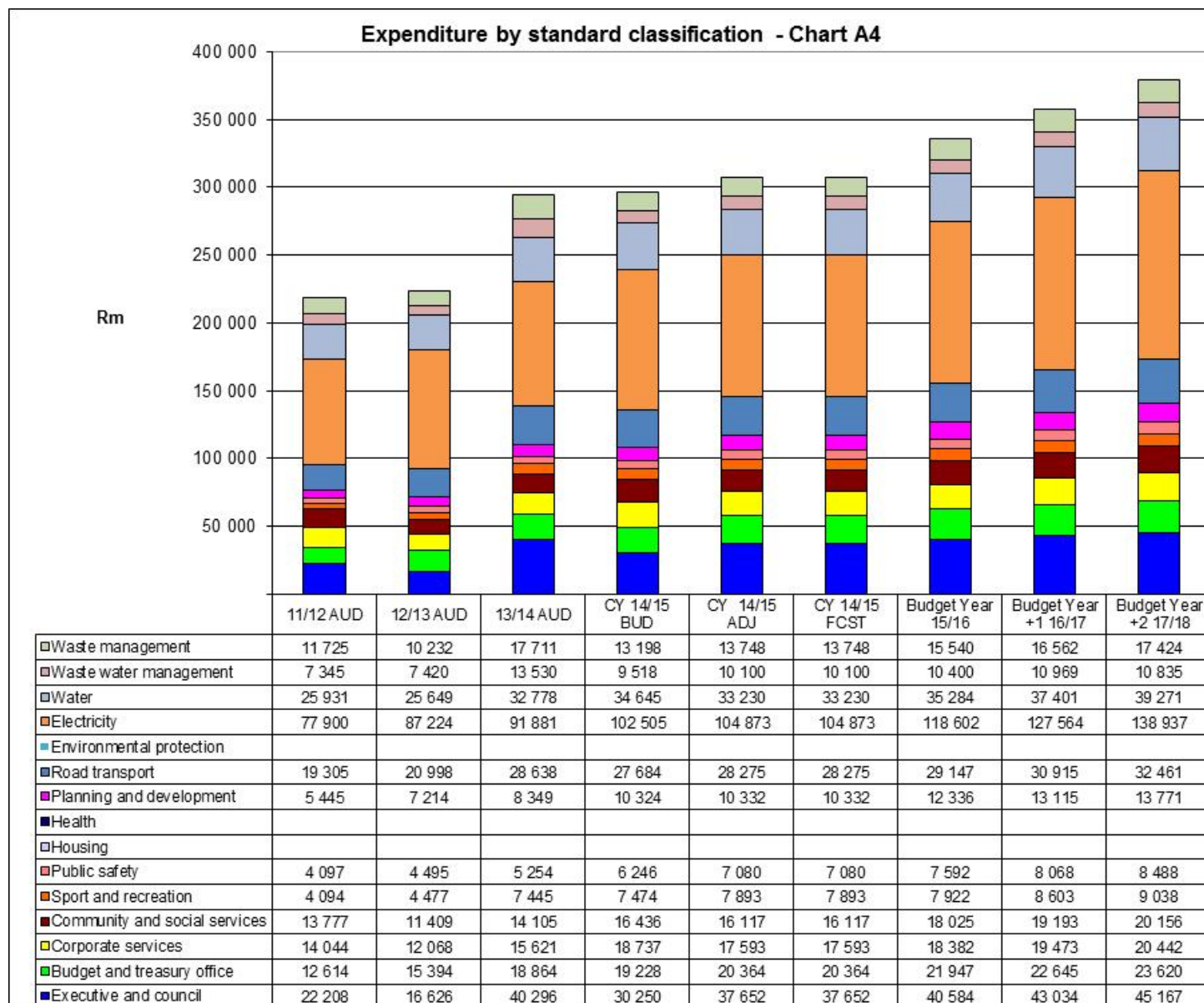
Table 65: Property Rates

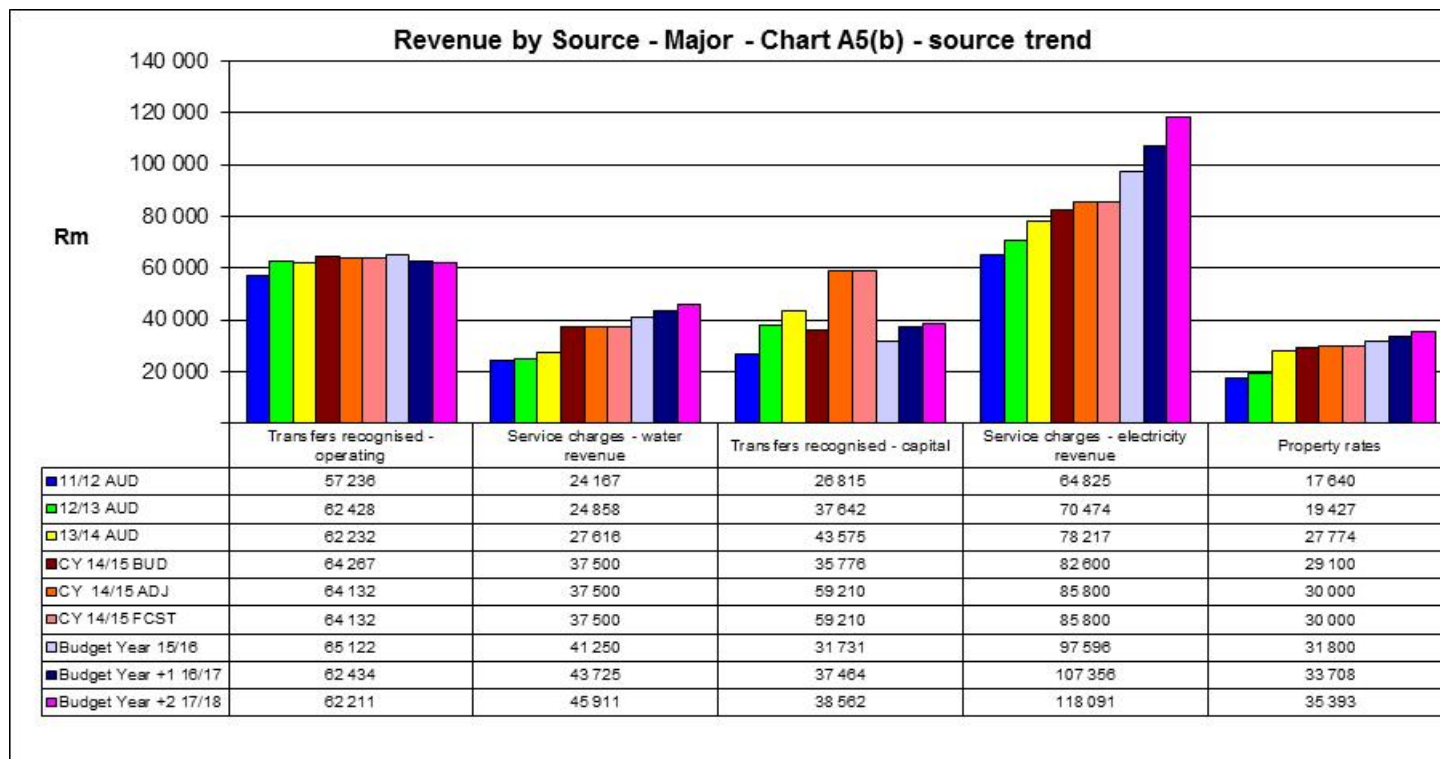
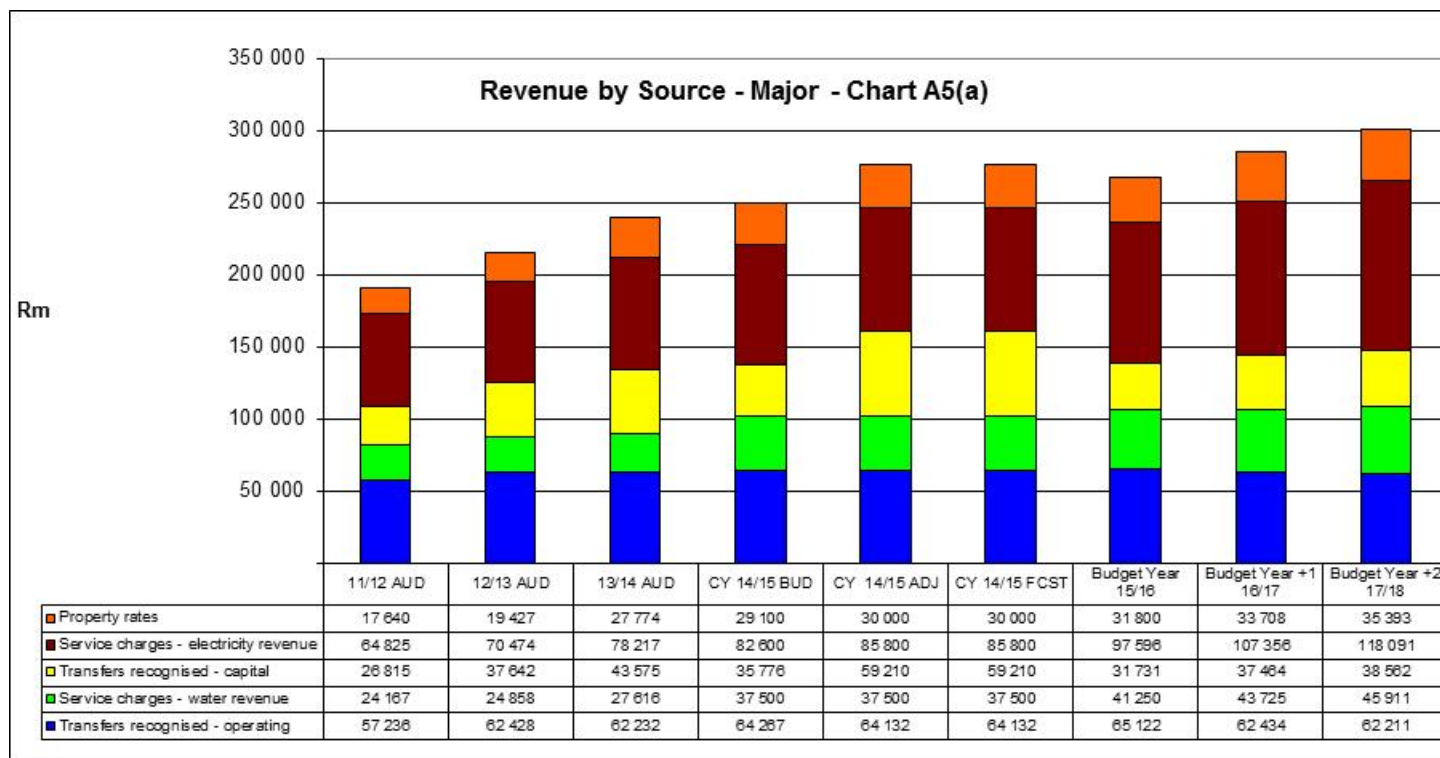
PROPERTY RATES	
<i>Rates are determined in terms of the Property Rates Act, 2004 (Act No 6 of 2004) as well as Council's Rate Policy</i>	
Residential Property	
An amount of 0.67 cent in a rand per annum	= 0.0067
Kokanje (areas not provided services by municipality)	
An amount of 0.67 cent in a rand per annum	= 0.0067
Business, Commercial & Industrial Property	
An amount of 2.52 cent in a rand per annum	= 0.0252
Agricultural Property	
An amount of 0.17 cent in a rand	= 0.0017
State owned Property	
An amount of 2.52 cent in a rand	= 0.0252
Public Service Infrastructure	
An amount of 0.17 cent in a rand	= 0.0017
Public Benefit Organisation	
An amount of 0.17 cent in a rand	= 0.0017
Mining Property	
An amount of 2.52 cent in a rand	= 0.0252

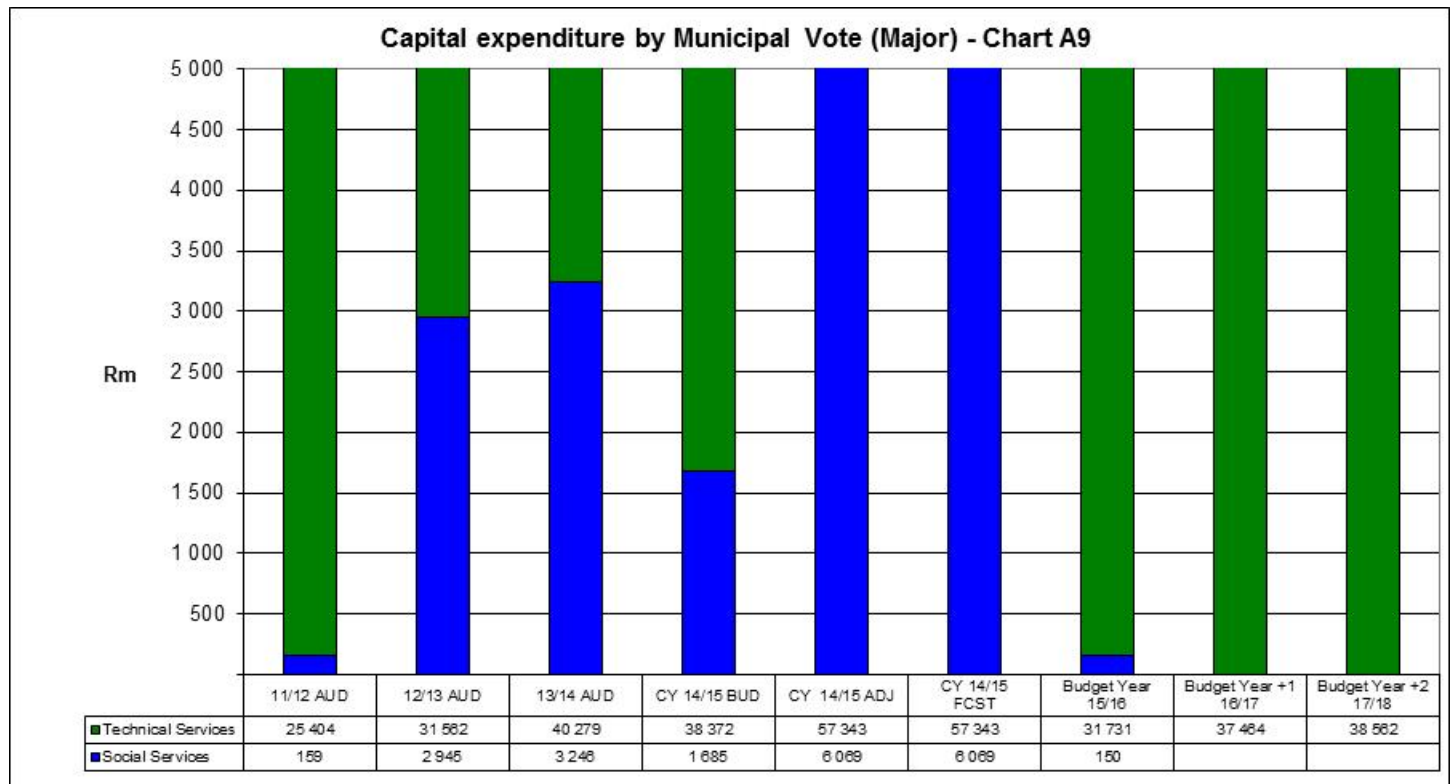
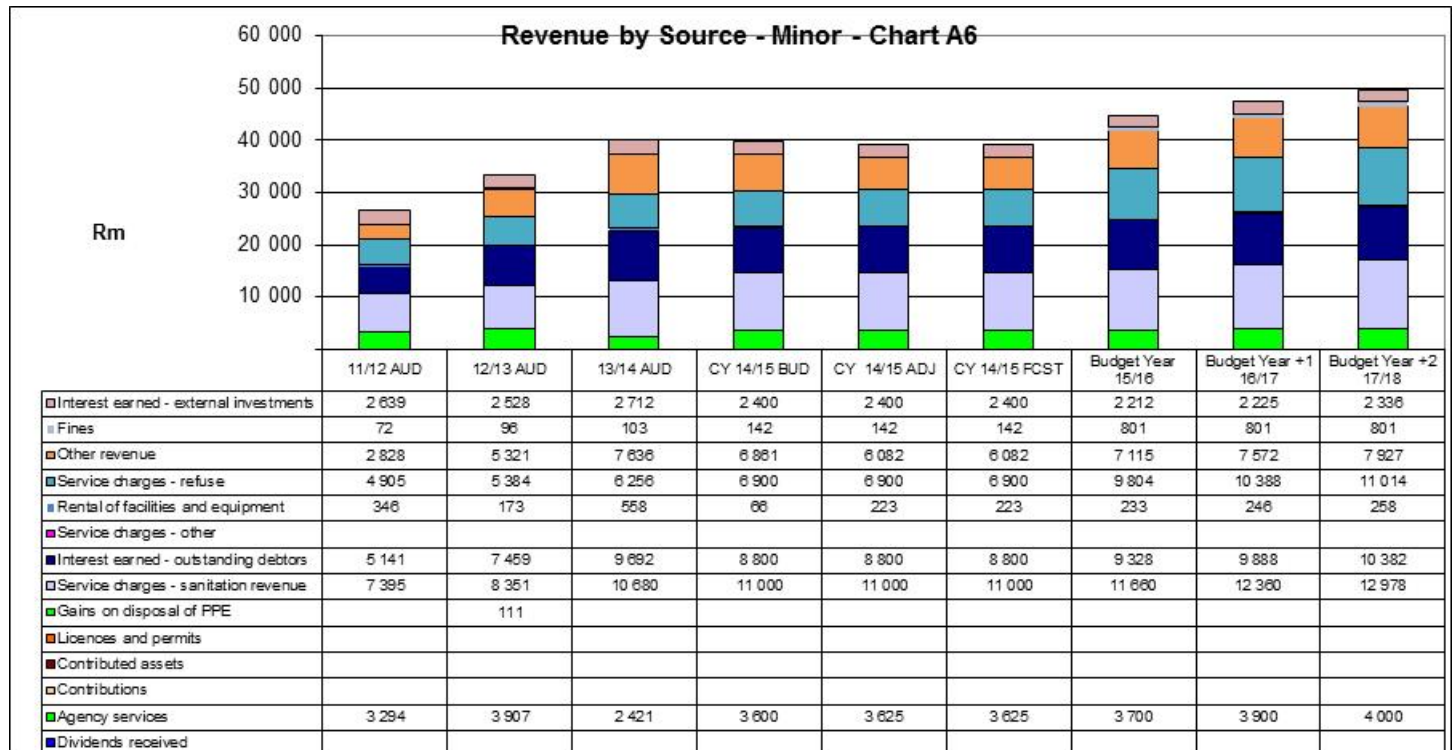
Annexure F: Supporting Charts

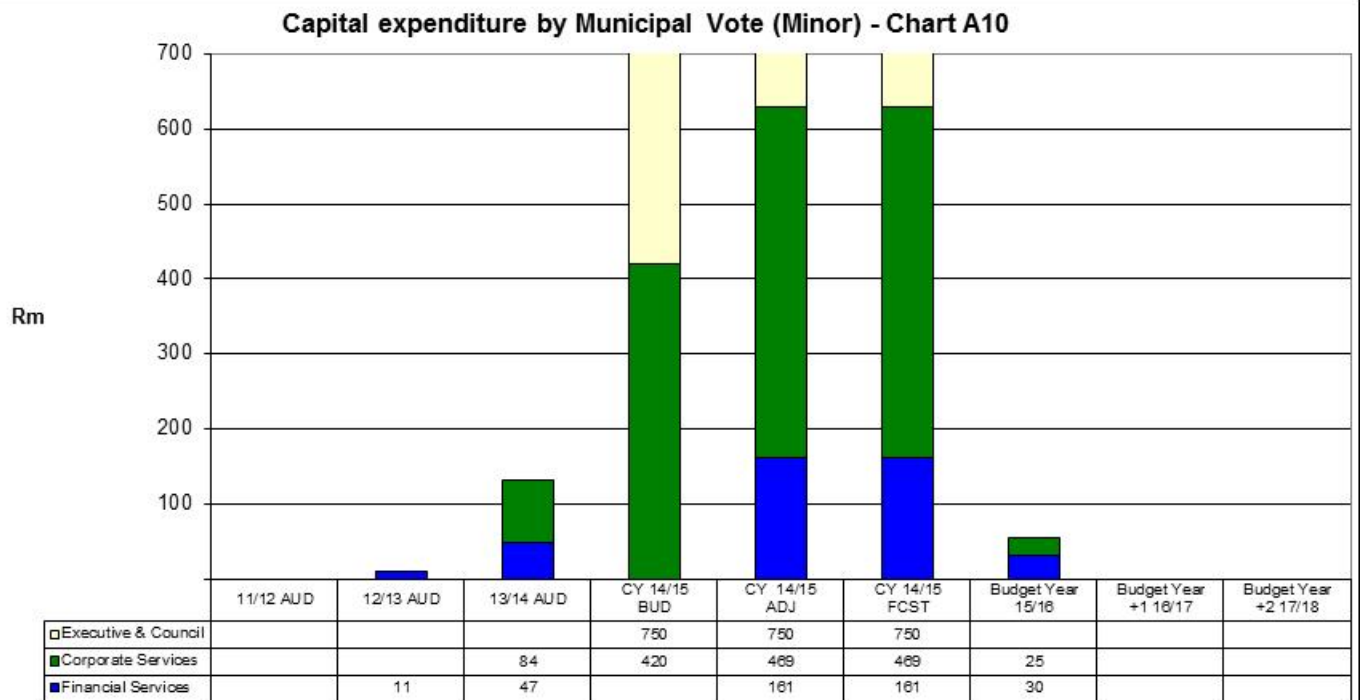












Annexure G: Integrated Development Plan

The Integrated Development Plan will be the presented in council.

Annexure H: Sundry Tariffs

- All tariffs are indicated excluding VAT.

ADVERTISING FEES		
DISCRIPTION	CHARGES PER BOARD	BASIC RENTAL COST
Single Gantry: In to Town Out of Town	R9 730.00 R7 441.00	R17 170.00(annual)
Citilite Per Face	R5 152.00	R 10 300.00(annual)
Lightbox Per Ad Per Face	R486.00 R3 888.00	R7 787.00(annual)
Pole Ad Per Site	R 529.00	R529.00(per quarter)
Pave Ad Per Ad	R367.00	R734.00(monthly)
Event Ad Per Ad per event	R6-50	R1 443-00(per event)

DESCRIPTION	CURRENT TARIFF 2014/2015	PROPOSED TARIFF 2015/2016
2. Sanitation blockages	R 225-00	R 240-00
3. Sanitation connection: 1 st connection 2 nd connection	R 746-00 R3 688-00	R 790.00 R3 910.00
Dumping of Waste Water – Trucks		
8 kl Truck	R 60-50	R 64.00
10 kl Truck	R 84-30	R 90.00
20 kl Truck	R 169-60	R 180.00
4. Water connections: 15mm 20mm 25mm 40mm 50mm 75mm Larger than 75mm Moving of meter Replacement of a meter(consumer fault)	R 2 239-00 R 3 657-00 R 5 534-00 R 7 094-00 R 9 330-00 R13 245-00 Cost + 32% R 820-00 Cost + 32%	R 2 375.00 R 3 880.00 R 5 870.00 R 7 520.00 R 9 890.00 R 14 040.00 Cost + 32% R 870.00 Cost + 32%
5. Burial Fees: All Residents and Rate Payers		
Adult: Standard Grave	R 475-00	R 500
8 Feet (2.44m) grave	R 569-00	R 603.00
Casket Coffin	R 519-00	R 550.00
Children	R 160-00	R 170.00
All non residents	R 2 090-00	R 2 215.00
Tombstone	R300-00	R 318.00

6. Photocopying: Library Records A 3 A 4	A 3 A 4 R 6-00 R 3-00 R 6-00 R3-00	R 7-00 R 4-00 R 7-00 R 4-00
7. Sale of soil, gravel etc , if available (max 20m ³) Penalty for illegal excavations	R 495-00 per m ³ R 6 067.00	R 525-00 per m ³ R 6 370.00
8. Any other private work in connection with Council Activities	Cost + 32 %	Cost + 32 %
9. Registration of boreholes	R 170-00	R 180.00
10. Removal of garden refuse	R 303-00	See Refuse tariffs
10. Removal of dead animals: - Dogs, calves, cats, sheep and goats - Horses, cattle, donkeys and mules	R 97-00 R 243-00	R 103.00 R 258.00
11. Engineering Fees - Electricity - Water		R900 per KVA
12. All electrical connections	Cost + 12 %	Cost + 14 %
13. Re-connection of electricity and water services for non- payment of accounts - Office hours - Sunday and Public Holidays - Any other time - Dishonored payment - Illegal re-connection of services	R 286-00 R 170-00 R 1 870-00	R 350.00 R 400.00 R 180.00 R 1 982.00
14. Library : Fines Loss of cards - Membership Fees	R 10-00 per week R 20-00 R66-00 per member per year	R 12.00 per week R 24.00 R 70.00 per member per year
16. Rates Clearance Certificates	R 160-00	R 170.00
17. Valuation Certificates	R 52-00	R 55.00
18. Rank Permit	R 500-00 per year	R 530 per year
19. Hawkers' Permit: - Residents - Non Residents - Temporary permits	R 158-00 per year R 320-00 per year R 20-00 per month	R 168.00 per year R 340.00 per year R 25.00 per month
20. Illegal dumping (Refuse)		R1 000.00

21. Minimum Deposits Payable – Opening consumer accounts		
<u>HOUSEHOLD</u>	<u>OCCUPIER</u>	<u>OWNER</u>
Water and Electricity	R 1 000.00	R 600.00
Water Only	R 400.00	R 400.00
Electricity Only	R 600.00	R 600.00
Flat – Water Only	R 400.00	R 400.00
Flat – Electricity Only	R 600.00	R 600.00
Johannes Postma Flats	R 200.00	R 200.00
<u>BUSINESS</u>		
Electricity Only	R 1 000.00	R 1 000.00
Water and Electricity	R 1 500.00	R 1 500.00
Water Only	R 1 000.00	R 1 000.00
<u>MEGA USAGE FOR BUSINESS</u>		
Type 1 (Large)	R 20 000.00	R 20 000.00
Type 2	R 5 000.00	R 5 000.00
Type 3	R 2 500.00	R 2 500.00
Type 4 (Small)	R 1 500.00	R 1 500.00

22. Tender Document Tariffs	
<u>Estimated Budget</u>	<u>Bid Document Price</u>
R 200 000 – R 500 000	R 150 – R 250
R 500 001 – R 5 000 000	R 300 – R 500
R 5 000 001 – R 10 000 000	R 500 – R 1000
R 10 000 000 Plus	R 1 000 – R 1500

TARIFF: TOWN PLANNING AND BUILDING CONTROL

All tariffs exclude VAT

APPLICATION	CURRENT TARIFF	NEW TARIFF
Special Consent use in terms of the Modimolle Land use Scheme 2004	R 934-00 application fee + R 84-00 for every additional erf/stand included.	R 990-00 application fee + R 90-00 for every additional erf/stand included.
Written Consent use in terms of Modimolle Land Use Scheme 2004	R 934-00 application fee + R 84-00for every additional erf/stand included	R 990-00 application fee + R 90-00for every additional erf/stand included
Building line relaxation use in terms of Modimolle Land Use scheme 2004 - Business - Residential	R 225-00 (per line to be relaxed)	R 240-00 (per line to be relaxed)
Subdivision application in terms of Section 92 of the Town Planning and Townships Ordinance (15/1986)	R 377-00 application fee + R 37-00 for every portion to be created by subdivision	R 500-00 application fee + R 60-00 for every portion to be created by subdivision
Consolidation application in terms of Section 92 of the Town Planning and Townships Ordinance (14/1986)	R 377-00 application fee + R 37-00 for every erf/stand included in consolidation	R 500-00 application fee + R 60-00 for every erf/stand included in consolidation
Rezoning application in terms of Section 56 of the Town Planning and Townships Ordinance (15/1986)	R 1 401-00 application fee + R 340-00 for every additional erf/stand	R 1 800-00 application fee + R 440-00 for every additional erf/stand
Application in terms of the Removal of Restrictive Conditions	R 934-00 application fee	R 1 090-00 application fee
Division application in terms of the Ordinance on the Division of Agricultural land	R 510-00 application fee + R 84-00 per portion to be divided – applicant places all notices	R 540-00 application fee + R 90-00 per portion to be divided – applicant places all notices
Division in terms of the Division of Agricultural Land Act 70 of 1970	R 377-00 application fee + R 37-00 per portion to be divided	R 500-00 application fee + R 60-00 per portion to be divided
Occupation Certificate		R 60-00 per certificate
Inspection Fees		R
Zoning Certificate	R 50-00 per zoning certificate per stand	R 60-00 per zoning certificate per stand
Demolition Certificate	R 50-00 per certificate per stand	R 60-00 per certificate per stand
Township Establishment	R 5605-00 application fee (applicant places all notices)	R 6050-00 application fee (applicant places all notices)
Zoning Plans	A4 - R 56-00 A3 - R 102-00	A4 - R 60-00 A3 - R 110-00
Building prints	Sepia A – R 152-00 A1 – R 95-00 Durester AO – R 152-00 A1 – R 115-00 Paper AO – R 64-00 A1 – R 56-00	Sepia A – R 165-00 A1 – R 100-00 Durester AO – R 165-00 A1 – R 125-00 Paper AO – R 70-00 A1 – R 60-00
Building Plan Fees	For every 10m ² or part thereof of the area of the building at the level of each floor- R 42-00 with a minimum of R 340-00. Applications for a minor work as defined in the National Building regulations- R 243-00	For every 10m ² or part thereof of the area of the building at the level of each floor- R 45-00 with a minimum of R 360-00. Applications for a minor work as defined in the National Building regulations- R 260-00

LEASING OF VENUES: TARIFFS 2015/16

IN ALL INSTANCES OF RENTAL, A REFUNDABLE DEPOSIT OF R 800-00 IS APPLICABLE

TYPE OF GATHERING PER GATHERING BETWEEN 08:00 – 24:00	O R TAMBO HALL	RUTH FIRST MEMORIAL LIBRARY AUDITORIUM	PETER NCHABALENG HALL	YOSUF DADOO HALL	EPHRIAM MOGALE STADIUM	LESEDING HALL
Weddings, entertainment, fairs, sales, exhibitions, shows, cinema shows, concerts and dramatic performances by professional players, fetes, dinners, luncheons, cocktail parties, mannequin parades and any other gathering not mentioned in these tariffs.	R 1800	Not available	R 1700	R 1700	R 1800	R 1700
Amateur theatricals or concerts, dancing displays and practice, amateur boxing or wrestling tournaments, table tennis or badminton matches, and any other indoor sport or recreation when admission is charged.	R 510	Not available	R 510	R 510	R 510	R 510
Conferences, congresses, bazaars, meetings and lecturers	R 510	R 510	R 510	R 510	R 510	R 510
Theatrical or concert rehearsals, dancing practices and classes, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservation of the facility under this group shall be deemed to be cancelled	R 510	Not available	R 510	R 510	Not available	R 510
Meetings by ratepayers associations, civic social and sporting bodies or clubs, debating or similar societies, political parties of elections, presentation of prizes, lectures of educational nature, religious services or gatherings	R 320	R 320	R 320	R 320	R 320	R 320
For fundraising purposes, churches, schools and other related bodies	R 320	Not available	R 320	R 300	R 300	R 300
Amateur boxing or wrestling tournaments, rugby, soccer and practices, table tennis or badminton tournaments or practices and any other indoor sport or recreation, provided that no admission is charged and provided further that if the facility is required for a gathering which will be of greater financial benefit to the Council, any reservations of the facility under this group shall be deemed to be cancelled.	R 340	Not available	R 340	R 340	R 450	R 340
Professional boxing, soccer, rugby, wrestling, cricket, athletics tournaments and music festivals	R4 635+ Refundable Deposit of R 800	Not applicable	R 4 435+ Refundable Deposit of R 800	Not applicable	R 9230 +Refundable Deposit of R 2000	Not applicable

Business Tariffs				
CODE	TYPE OF BUSINESS	APPLICATION FEE	REGISTRATION FEE	ANNUAL RENEWAL FEE
111	Growing of crops,market gardening and horticulture	R100.00	R200.00	R100.00
112	Farming of animals	R100.00	R200.00	R100.00
251	Stone quarrying,clay and sand-pits	R100.00	R200.00	R100.00
3	Manufacturing	R100.00	R200.00	R100.00
412	Manufacturer and distribution of gas	R100.00	R200.00	R100.00
50	Construction	R100.00	R200.00	R100.00
61	Wholesale:sell to public	R100.00	R200.00	R150.00
	Wholesale:sell to retailers	R100.00	R200.00	R150.00
	Wholesale:sell to both	R100.00	R200.00	R200.00
621	General trade (General Dealer)	R100.00	R200.00	R100.00
622	Retail trade in food,beverages and tobacco in specialized stores	R100.00	R200.00	R100.00
623	Other retail trade in new good in specialized stores	R100.00	R200.00	R100.00
624	Retail trade in second-hand goods in stores	R100.00	R200.00	R100.00
625	Retail trade not in stores	R100.00	R200.00	R100.00
626	Repair of personal and household goods	R100.00	R200.00	R100.00
631	Sale of motor vehicles	R100.00	R200.00	R100.00
632	Maintenance and repair of motor vehicles	R100.00	R200.00	R100.00
633	Sale of motor vehicles parts and accessories	R100.00	R200.00	R100.00
634	Sale,maintenance and repair of motor cycles and related part and accessories	R100.00	R200.00	R100.00
635	Retail sale of automotive fuel	R100.00	R200.00	R100.00
641	Hotels,camping sites and other provision of short-stay accommodation	R100.00	R200.00	R100.00
642	Restaurants,bars and canteens	R100.00	R200.00	R100.00
71	Land transport,transport via pipe lines	R100.00	R200.00	R100.00
72	Water transport	R100.00	R200.00	R100.00

Business Tariffs				
CODE	TYPE OF BUSINESS	APPLICATION FEE	REGISTRATION FEE	ANNUAL RENEWAL FEE
741	Supporting and auxiliary transport services	R100.00	R200.00	R100.00
81	Financial Intermediations	R100.00	R200.00	R100.00
84	Real Estate Activities	R100.00	R200.00	R100.00
85	Renting of machinery & equipment	R100.00	R200.00	R100.00
86	Computer related activities	R100.00	R200.00	R100.00
87	Research & Development	R100.00	R200.00	R100.00
881	Legal,accounting,bookkeeping and auditing activities,tax consultants,market research & public opinion research ,business & management consultancy	R100.00	R200.00	R100.00
882	Architectural,Engineering and other Technical activities	R100.00	R200.00	R100.00
883	Advertising	R100.00	R200.00	R100.00
8891	Labor recruitment & provision of staff	R100.00	R200.00	R100.00
8892	Investigation and security activities	R100.00	R200.00	R100.00
8893	Building and industrial plant cleaning activities	R100.00	R200.00	R100.00
8894	Photographic activities	R100.00	R200.00	R100.00
8895	Packaging activities	R100.00	R200.00	R100.00
88991	Credit Rating Agency activities	R100.00	R200.00	R100.00
88992	Debt Collecting Agency activities	R100.00	R200.00	R100.00
88993	Stenographic,Duplicating,Addressing,Mailing list and Similar activities	R100.00	R200.00	R100.00
920	Educational services	R100.00	R200.00	R100.00
931	Human Health Activities	R100.00	R200.00	R100.00
932	Veterinary Activities	R100.00	R200.00	R100.00
933	Social Work Activities	R100.00	R200.00	R100.00
940	Sewage and Refuse Disposal, Sanitation & Similr activities	R100.00	R200.00	R100.00
951	Activities of Business,Employers and Professional Organizations	R100.00	R200.00	R100.00
96	Recreational,Cultural & Sporting Activities	R100.00	R200.00	R100.00

Business Tariffs				
CODE	TYPE OF BUSINESS	APPLICATION FEE	REGISTRATION FEE	ANNUAL RENEWAL FEE
961	Motion Picture,Radio,Television and other Entertainment Activities	R100.00	R200.00	R100.00
962	News Agency Activities	R100.00	R200.00	R100.00
963	Library,Archives,Museums and other cultural activities	R100.00	R200.00	R100.00
9901	Washing and Dry-cleaning of textiles and fur products	R100.00	R200.00	R100.00
9902	Hair-Dressing and other Beauty Treatment	R100.00	R200.00	R100.00
9903	Funeral and related activities	R100.00	R200.00	R100.00
2	Exterritorial organizations	R100.00	R200.00	R100.00
	Sec13(2) of regulations	Inspection Fee	R100.00	
	Sec9(2) and Reg.12	Admission of Guilt Fine	R1000.00	
	Sec.10(6)	Extension of Certificate of Registration	R100.00	
	Reg.13(2)	Notice of Appeal	R250.00	
	Sec.15(c) Reg.4(1)	Duplicate	R100.00	

Annexure I: Budget Related Policies

1. POLICY ON DEBT COLLECTION AND CREDIT CONTROL

PREAMBLE

Whereas Article 96 of the Municipal Systems Act, Act 32 of 2000, requires a Municipality to adopt, implement and maintain a credit control and debt management policy;

And whereas article 97 of the Municipal Systems Act specifies the contents of such a policy;

Hence the following policy is hereby adopted by the Council of the Modimolle Local Municipality:

1. DEFINITIONS

For the purposes of this policy, the wording or any expression will carry the same meaning as that as published in the Act unless it is specifically indicated to carry a different meaning:-

- 1.1 **"Act"** the Municipal Systems Act 2000, Act32 of 2000, as amended from time to time.
- 1.2 **"Authorised Representative"** the person or Institution who has been legally appointed by the Council to act on behalf of the Council or to carry out a function or duty on behalf of the Council.
- 1.3 **"Chief Financial Officer"** the person, appointed by the Council, in charge of the finances of Council irrespective of the title given to the post.
- 1.4 **"Client"** any occupant of a property to whom the Municipality has agreed to supply services to, or in the case where the occupant is not the owner, the owner of the property.
- 1.5 **"Council"** the Council of the Modimolle Local Municipality.
- 1.6 **"Defaulter"** a person who owes money to the Municipality after the due date has passed.
- 1.7 **"Engineer"** The person in charge of the Civil and Electrical Services of the Municipality.
- 1.8 **"Equipment"** a building or any other structure, pipe, pump, wiring, cable, meter, machine or any item of equipment.
- 1.9 **"Interest"** a cost that carries the same legal standing as Service Charges and is calculated, on arrear monies owing, at a rate as determined from time to time by the Council.
- 1.10 **"Municipal Account"** an account depicting the costs of services as provided by the Municipality or any authorised or contracted service provider and/or property rates in the form of, but not restricted to:-
 - (a) **"Annual Accounts"** raised annually and indicate charges raised for property rates, building clauses, availability charges, sewerage, refuse removal etc.
 - (b) **"Monthly Accounts"** raised monthly and indicate charges raised for property rates, building clauses, availability charges, sewerage, refuse removal etc.
- 1.11 **"Municipal Manager"** the person appointed in terms of Article 82 of the Municipal Structures Act 1998, Act 117 of 1998, including any person appointed in an acting position or to whom the necessary powers have been delegated.
- 1.12 **"Municipal Services"** the provision of services by the municipality such as water, electricity, refuse removal and sewerage for which a service charge is raised.
- 1.13 **"Municipality"** the institution responsible for service delivery and collecting monies for the Modimolle Local Municipality.
- 1.14 **"Occupant"** any person occupying any property or portion of property, without taking into consideration whether he/she is the owner of that property.

1.15 **“Owner”**

- (a) the person in whom from time to time is vested the legal title to premises;
- (b) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative”
- (c) in any case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises or a building thereon;
- (d) in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof
- (e) in relation to –
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property, or
 - (ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person”
- (f) any legal person including but not limited to:
 - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), Trust *inter vivos*, Trust *mortis causa*, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), a Voluntary Association.
 - (ii) any Department of State.
 - (iii) any Council or Board established in terms of any legislation applicable to the Republic of South Africa.
 - (iv) any Embassy or other foreign entity.

1.16 **“Property”** any piece of ground where the borders have been demarcated within the boundaries of the Modimolle Local Municipality.

2. PURPOSE OF THE POLICY

The purpose of this policy is to :-

- 2.1 To create a framework wherein the Council can exercise their executive and legal authority with regards to credit control and debt collection;
- 2.2 To ensure that all monies due and owing to the municipality are collected in a financially viable manner in the best interests of the community, residents and ratepayers;
- 2.3 To create a framework for customer care and to ensure support for indigents;
- 2.4 To prescribe credit control measures and the order in which actions must be carried out;
- 2.5 To establish measures and procedures regarding credit control and debt collection;
- 2.6 To establish achievable goals for credit control and debt collection.

3. POLICY PRINCIPLES

- 3.1 The Administrative integrity of the municipality must be upheld at all times. The democratically elected councillors are responsible for formulating policy whilst the Municipal Manager is responsible to carry out the policy.
- 3.2 Consumers must complete an application form wherein the municipality is officially requested to connect them to service supply lines. Existing consumers may be required to complete new application forms as determined by the Municipal Manager from time to time.

- 3.3 Copies of application forms, conditions of service delivery, extracts from the credit control and debt collection policy and the by-law must be supplied on request by any consumer against the applicable tariff as determined by the Council from time to time where applicable.
- 3.4 Accounts must be despatched timeously and must be accurate and easily understandable.
- 3.5 The consumer is entitled to access to pay points and to a variety of trustworthy payment methods.
- 3.6 The consumer is entitled to a good, efficient and reasonable answer on enquiries/appeals and may not be prejudiced during the processing of such enquiry/appeal.
- 3.7 Measures to encourage payments must be applied effectively and efficiently.
- 3.8 The unauthorised use of, disconnection and reconnection, tampering with or the theft of meters, services supply equipment and the reticulation network and any fraudulent/unlawful action in connection with the provision of municipal services will result in the termination of services, the imposition of severe penalties, the forfeiture of rights and/or the prosecution of the defaulter.
- 3.9 Incentives as well as penalties may be used in the collection process.
- 3.10 The collection process must be cost effective.
- 3.11 Results must be reported and monitored regularly and efficiently.
- 3.12 Application forms will be used to categorise consumers according to their potential risk and to determine the level of service as well as the amount of deposit required.
- 3.13 Targets and goals regarding achievements must be set for both customer care as well as collections and corrective measures must be set for underperformance.
- 3.14 Where practically possible, the customer care and the debt collection policies must be applied independent of each other and must be indicated as separate entities on the organisational structure.
- 3.15 The principle of providing services in exchange for the payment of arrears is supported.

4. DUTIES AND RESPONSIBILITIES

- 4.1 Duties and responsibilities of Council:
 - (a) To adopt a budget in support of the Integrated Development Plan.
 - (b) To implement rates and tariffs charges, and to determine service charges, monies and penalties so as to finance the budget.
 - (c) To provide for enough funding so as to guarantee access to basic services to indigents.
 - (d) To make provision for bad debts according to the payment record of the community, ratepayers and residents as indicated in the financial statements of the municipality.
 - (e) To identify targets in the collection of arrears according to acceptable accounting practise and abilities of the Municipal Manager.
 - (f) To approve a reporting framework for customer care, credit control and debt collection.
 - (g) To approve a by-law that empowers Council to execute the policy.
 - (h) To monitor the performance of the Municipal Manager in the areas of customer care, credit control and debt collections by the regulating authority (Executive Committee).
 - (i) To revise the budget if the targets for customer care, credit control and debt collecting are not met.
 - (j) To take disciplinary steps against any Councillors, officials and agents who do not act in accordance to the Council's policy and by-law.
 - (k) To approve the list of attorneys appointed to represent the Council with legal matters regarding the collecting of arrears.
 - (l) To delegate sufficient authority to the Executive Committee, Municipal Manager and service providers in order to monitor and carry out the provisions of the Customer Care, Credit Control and Debt Collection Policy.

- (m) To ensure enough capacity exists in the relevant departments to carry out the provisions of the Customer Care, Credit Control and Debt Collection Policy or else to appoint suitably qualified collection agents as an alternative.
- (n) To support the Municipal manager in the execution of his/her duties.
- (o) To provide funds for the training of staff.

4.2 Duties and Responsibilities of the Mayor:

- (a) To ensure that the Council's budget, cash flow and targets/goals regarding debt collecting according to official policy and by-law is carried out and attained.
- (b) To monitor the performance of the Municipal Manager in the implementation of the policy and by-law.
- (c) To revise the policy and by-law so as to evaluate the effectiveness of procedures, mechanisms and processes in order to improve customer care, credit control and debt collecting.
- (d) To report to the Council.

4.3 Duties and Responsibilities of the Municipal Manager:

- (a) To implement good customer care management.
- (b) To implement the Council's policy regarding customer care, credit control and debt collection.
- (c) To implement and maintain an appropriate accounting system.
- (d) To send out accounts to clients.
- (e) To claim payments on due dates.
- (f) To raise penalties against non-payments.
- (g) To allocate payments that has been received.
- (h) To collect arrear monies.
- (i) To implement "best practises".
- (j) To provide a variety of payment methods.
- (k) To determine customer care, credit control and debt collection measures.
- (l) To determine work procedures for the following: public relations, arrangements, disconnection of services, summoning, attachment of assets, sales-in-execution, write-off of bad debts, sundry debtors and legal procedures.
- (m) To appoint a firm or firms of attorneys to carry out the legal process (i.e. the attachment of and sale-in-execution of assets, salary emolument orders etc).
- (n) To establish targets for staff.
- (o) To employ staff in accordance with the Council's staff policy to carry out the policy and by-law.
- (p) To delegate certain functions to department heads.
- (q) To determine control measures.
- (r) To monitor contracts with service providers collecting the arrears.

4.4 Duties and Responsibilities of Communities, Ratepayers and residents:

- (a) To comply with the responsibilities resulting from the use of public facilities and/or the use of and/or enjoyment of municipal services.
- (b) To pay timeously before the due date all service charges, property rates and other taxes, tariffs and charges as implemented by the municipality.

- (c) To obtain a duplicate municipal account from the enquiries counter when the original account does not arrive within the normal accounts cycle.
- (d) To notify the municipality when services are no longer required at a particular service point or when an address must be changed.
- (e) To respect the mechanisms and processes of the municipality when exercising their rights.
- (f) To grant reasonable access to municipal officials to their property in the proper execution of their duties.
- (g) To acknowledge the by-laws and policies of Council.
- (h) Not to tamper with municipal services and property.

4.5 Duties and Responsibilities of Councillors:

- (a) To hold regular ward meetings (Ward Committee Members).
- (b) To uphold the by-laws and policies of Council and to inform ratepayers and residents of these policies and by-laws.
- (c) To uphold the Code of Conduct for Councillor's.
- (d) To provide input regarding the applications received from prospective indigents.
- (e) As policy makers, to avoid interfering in the administrative processes.

5. **REPORTING**

- 5.1 If, in the opinion of the Chief Finance Officer, cash collections are not going to meet the projected budgeted targets, then this must be reported to the Municipal Manager. The Municipal Manager must, if he agrees with the Chief Finance Officer, immediately request that the budget be reviewed and adjusted to realistically collectable levels.
- 5.2 The Mayor, as supervisory authority, must report to the Council every quarter as required by section 99(c) of the Act.

6. **CUSTOMER CARE**

6.1 Accounts and Invoicing

- 6.1.1 Consumers are entitled to receive an invoice from the municipality that consolidates all services and which is accurate and understandable.
- 6.1.2 Accounts will correspond with the meter reading cycle and due dates will be linked to the dates of the invoices.
- 6.1.3 Accounts will be despatched monthly approximately every 30 days to the latest address of the consumer in the records of the municipality.
- 6.1.4 It is the responsibility of the consumer to ensure that his/her address and other contact details with the municipality are correct.
- 6.1.5 Should accounts not be received by a consumer, the responsibility to pay timeously still rests with the consumer.
- 6.1.6 The due date is indicated on the invoice and normally would be as follows:
 - (a) Monthly accounts are payable on or before the 7th day, or the first working day thereafter if the 7th falls on a weekend or public holiday, in the month following the month in which the account has been rendered.
 - (b) Accounts of Councillors and Staff can be deducted from their salaries.

- 6.1.7 If an account is not paid in full, any lesser amount paid will not be considered as full and final settlement.
- 6.1.8 If any payment by negotiable instrument to the municipality or its authorised agent is returned by the bank as unpaid:
 - (a) the municipality or its authorised agent may recover the bank charges regarding the unpaid item from the account of the debtor;
 - (b) the municipality or its authorised agent must regard this as a default payment and services may only be reconnected after receipt of cash or a bank guaranteed cheque.
 - (c) the municipality may insist that all future payments be made in cash only.
- 6.1.9 If so requested, the municipality, or its authorised agent, must produce a copy tax invoice where administratively possible against the tariff as determined by Council from time to time.

6.2 Payment facilities and methods of payments

- 6.2.1 The municipality must operate suitable and acceptable bank and cash facilities and must ensure that such facilities are accessible to all residents.
- 6.2.2 The municipality must, at its own discretion, allocate a payment between services fairly. A debtor who is in arrears may not specify how the monies paid on his/her account may be allocated between the various services.
- 6.2.3 The municipality may, in terms of Section 103 of the Act and with the permission of the debtor, approach an employer to arrange for a debit order to be placed on the debtor's salary.
- 6.2.4 The debtor must acknowledge that the use of agents to pay over monies owing to the municipality is at the risk of the debtor and he/she must take into consideration the time it will take for such payment to be paid over to the municipality. This acknowledgement should be enshrined in the payment arrangement.

6.3 Incentives for regular payments

- 6.3.1 In order to encourage regular and timeous payments and in order to reward regular payers, the Council may, from time-to-time, implement measures through which such timeous and regular payments are rewarded.
- 6.3.2 If such measures are implemented, the costs related to such a scheme will be reflected in the operating expenditure as an additional item.

6.4 Enquiries, disputes and service complaints

- 6.4.1 The municipality must make provision for the following within its administrative and financial powers:-
 - (a) Establish a centralised enquiries office;
 - (b) Establish a centralised database for complaints that facilitates the co-ordination of complaints, speed up solutions and to provide effective communication with customers;
 - (c) Introduce effective training of staff that deal with the public in order to improve service delivery and communication;
 - (d) Establish a line of communication with the Council to provide feedback on the implementation of this policy as well as other issues/problems.

- 6.4.2 If a consumer is convinced that his/her account is incorrect, then he/she can make representation to the Council in writing within 30 days after rendering such account to have the account investigated and where necessary effect the necessary adjustments.
- 6.4.3 Whilst the complaint is being investigated, the consumer must pay an amount based on an average of previous 3 months consumption if the history on that account is available. If no history is available then the consumer must pay an amount as given by the municipality, without prejudice, and before the due date until the matter is amicably resolved.
- 6.4.4 The applicable department must investigate the matter and inform the consumer of the outcome of such investigation within one month.
- 6.4.5 Lessees who do not make payment arrangements or payments, will be subject to normal credit control and debt collection procedures.
- 6.4.6 A debtor may lodge an appeal, with regard to the findings as per paragraph 6.4.4, against the municipality or the municipality's authorised agent.
- 6.4.7 An appeal, in terms of paragraph 6.4.6, must be lodged with the municipality within 21 (twenty-one) days after the findings of the investigation, in terms of paragraph 6.4.4, have been communicated to the debtor and must:-
 - (a) give a detailed explanation as to why the findings are rejected;
 - (b) supply any proof obtained indicating that the meter is faulty, where applicable.
- 6.4.8 In the event of a customer alleging that any meter is defective or inaccurate, the municipality may arrange for the meter to be tested at a fee payable by the customer. In the event that the test proves that the meter is defective, the municipality will reimburse the customer.

6.5 Customer Support Program

6.5.1 Water leaks:

- (a) If the leak is on the consumer's side of the meter, then the consumer is responsible for paying the account in full.
- (b) It is the responsibility of the consumer to control and monitor his/her consumption.

6.5.2 Rules for payment arrangements

- 5.5.2.1. Arrangement for extension for payment will be in the form of a written agreement between the municipality and the customer for the payment in regular and consecutive instalments of the outstanding balance, cost and interest thereon.
 - An Acknowledgment of Debt must be completed, with all arrangements for paying off arrear accounts. Copy must be handed to client and one to be filed on debtors file.
 - Only account holders with positive proof of identification or an authorised agent will be allowed to complete the Acknowledgement of Debt.
 - Debit orders may be completed for the monthly payment of the agreed account as far as possible. If arrangement is dishonoured, the full balance will immediately become payable.
 - Where cheques are returned, "Refer to Drawer", the full balance will immediately become payable. Services to such clients will be restricted/disconnected until the full amount is paid in cash or per bank guaranteed cheque.
 - No person will be allowed to enter into a second agreement if the first agreement was dishonoured excepts in special merit cases.

- Where no arrangement was made and services are disconnected/restricted due to non-payment, it will only be restored upon payment of full outstanding balance or signing an Acknowledgement of Debt, subject to the following condition:

“if a customer is in arrears, he/she must make arrangements to remit the balance of the arrears in monthly instalments as agreed upon per month, subject thereto that a customer immediately after concluding the arrangement pay his/her current account in full in the subsequent month thereafter. All payments are to be made on or before the due date of each month. The accounts agreed upon will be paid within a period of 6 months”.

- Only the Chief Financial Officer and Division Manager-Revenue under delegated authority of the Municipal Manager may agree to extension for payment and these cases must be supported by documentary proof and previous payment record will be taken into consideration.
- Special merit cases will be referred to an extension committee comprising Chief Financial Officer, Divisional Manager: Income, Accountant: Income and Clerk: Debt Collection.

5.5.2.2. **CLAIM ON RENTAL FOR ASSESSMENT RATES IN ARREARS**

- Council will lay claim to rental due, in respect of rateable property, to cover in part or in full any amount outstanding in respect of assessment rates for a period longer than 3 months.

5.5.2.3. **CHANGE TO PREPAID**

- No consumer will be allowed to change from conventional to a prepaid meter, unless the consumer account is settled in full or at the discretion of the extension committee.
- Council may for consumers who are constantly in arrears with their account decide to have their metering systems changed to prepaid meters and the cost thereof recovered such consumer.
- Council may decide as a revenue enhancement strategy, convert all conventional meters to pre-paid metres at its discretion and the costs of such meters be recovered from the consumer.

5.5.2.4. **INTEREST WRITE-OFF**

- As a measure of revenue enhancement, Council hereby authorizes the write off of interest incurred by a consumer if the consumer settles the debt in full.
- Such write off will be done on a form containing all particulars of the debtor and the debt as well as after proof of identification has been attached to the form. Such form will be processed only after approval by the Chief Financial Officer.

6.5.3 Rates and instalments:

- (a) Property rates and annual services must be paid in twelve equal instalments.

6.6 Subsidies for indigent consumers

- 6.6.1 A basic level of services will be supplied to households that qualify and who further earn a total monthly income equal to or less than the amount as determined by Council from time-to-time.
- 6.6.2 The funding of subsidies to indigents will be funded from the equitable share as received from National Government and budgeted for in the Council's annual budget.
- 6.6.3 The services that will be subsidised are rates, electricity, sewerage, refuse removal and water.
- 6.6.4 If the consumption or usage of water and electricity is less than the subsidised provision, the balance of the subsidised allocation of water for that month will not be carried over to the next month nor may the consumer apply for a credit or a cash refund in respect of the unused allocation.
- 6.6.5 If the consumption or usage of water and electricity exceeds the subsidised allocation, the consumer will be liable to pay for the excess consumption or usage against the applicable tariff as published in the annual tariffs.
- 6.6.6 In order to restrict the increase in the debt of indigent consumers, the consumption of all recipients of the indigent grant will be restricted.
- 6.6.7 Where the account of a consumer who qualifies for an indigent grant is fully paid up or where the account is regularly settled in full, the Chief Financial Officer may exempt him/her from the restriction on consumption.
- 6.6.8 Where a consumer's personal circumstances improve to the extent that he/she no longer qualifies for the indigent grant, he/she must apply to be deregistered.
- 6.6.9 An indigent consumer can apply to be deregistered at any time.
- 6.6.10 A list of indigent consumers will be compiled and available to the general public (only erf numbers and recipients).

6.7 Consumer's Categories

- 6.7.1 Consumers will be classified into special categories which will make provision for the type of business, applicable tariff and the risk associated with service delivery. Credit control procedures, debt collection and customer care may differ between categories as determined by the Municipal Manager from time-to-time.

7. CREDIT CONTROL POLICY

7.1 Aim

- 7.1.1 To implement procedures that will reach targets set for the collection of debt, to achieve service delivery targets and the prevention of the escalation of existing debt.
- 7.1.2 To facilitate financial support in the provision of basic services for the indigent members of the community.
- 7.1.3 To provide motivation for the timeous payment of accounts.
- 7.1.4 To reduce risk through effective management aids and reporting.

7.2 Service requests and agreements

- 7.2.1 All owners of property will be required to sign agreements governing the supply and cost of municipal services
- 7.2.2 Agreements for the rendering of services with tenants will only be entered into with the written consent of the owner or his/her duly authorised agent and the owners account must be fully paid before we can do connection of the tenant
- 7.2.3 Should such a lessee not pay his/her account, the owner of the property will become liable for such debt except where the owner of the property is the municipality.
- 7.2.4 The contents of Section 118 of the Municipal Systems Act will be brought under the attention of the owner of his/her duly authorised agent.
- 7.2.5 In the agreement, consumers and owners will acknowledge liability for costs of collection, interest and penalties in the event of delayed payment.
- 7.2.6 Should a consumer not sign such an agreement with the municipality or to provide security in terms of paragraph 8.6, the municipality may:
 - (a) hold that particular consumer liable for all debt incurred at that property; and/or
 - (b) restrict or terminate the services.
- 7.2.7 Termination of the services agreement must be in writing.

7.3 Right Of Access To Property

- 7.3.1 The owner or occupier of a property must provide any authorised municipal official with access, at a reasonable time, to his/her property in order to read any meter, undertake an inspection, repair or to connect, suspend, restrict or reconnect the supply of the service.
- 7.3.2 The owner will be held responsible for the repositioning of any meter should reasonable access be denied.
- 7.3.3 Should a person fail to comply with any of the requirements, the municipality or its authorised agent may :-
 - (a) notify such person by means of a written notice to restore access within a specific time period at his/her own costs;
 - (b) in urgent cases, restore access at the expense of the owner without prior notice immediately.

7.4 Enforcement Measures

- 7.4.1 Interest may be charged, in terms of applicable legislation, as a cost on all accounts not paid by the due date.
- 7.4.2 The municipality reserves the right to restrict or suspend services, or to carry out any debt collection as a result of late payments or non-payments of accounts by any consumer, owner or property.

7.5 Theft and fraud

- 7.5.1 If it is found that any person (natural or juristic) unlawfully connects or reconnects to the municipal supply, or that he/she has tampered with the meters, reticulation network or any other equipment belonging to the municipality, or has carried out any unauthorised service associated with the delivering of services by the municipality, or has stolen or damaged municipal property, will be prosecuted or held responsible for fines as determined from time-to-time.
- 7.5.2 The municipality will immediately suspend the services or remove the service should any of the above be brought to their attention.
- 7.5.3 The total amount that is due and outstanding, including fines, interest, estimated consumption of unauthorised services, disconnection and reconnection fees as well as any increased deposit amount is payable in full before any reconnection can be considered.
- 7.5.4 The municipality will implement a monitoring system and identify teams that will trace and monitor consumers conducting any of the above offences.
- 7.5.5 An official complaint of both vandalism and theft will be lodged with the police and the municipality reserves the right to take any further legal steps against such consumers as it deems necessary.
- 7.5.6 The municipal services of any person found withholding information or giving false information in the above regard can have their supply terminated.

7.6 Selection Of Clients And Security

- 7.6.1 The credit worthiness of all applicants for municipal services may be investigated which may include information from banks, credit bureaus, local authorities, retail creditors and employers.
- 7.6.2 Security deposits, whether in cash or in any other form acceptable to the municipality, will be accepted and can vary according to the risk involved.
- 7.6.3 The municipality may increase the level of deposits at its sole discretion.
- 7.6.4 Deposits may vary according to the credit worthiness or legal classification of the applicant, subject to the minimum requirements of paragraph 8.6.2.
- 7.6.5 The municipality will not pay interest on deposits.
- 7.6.6 The amount of the deposit, less any outstanding amount due to the municipality, will be refunded at the termination of the agreement between the owner and the municipality.

7.7 Tenders Submitted To The Municipality

7.7.1 The procurement policy and tender conditions of the municipality must include the following :-

- (a) When tenders for the provision of services or for the delivery of goods are requested, potential suppliers will be subject to the provision that they will declare to the municipality that all monies owing to the municipality have either been paid in full or an acceptable arrangement (subject to offset being applied through default on the terms of the contract) has been made to pay off the balance owing subject to the terms and conditions of this policy. Such monies owing will be by the company submitting the tender, its directors, owners and/or partners.
- (b) No tender will be awarded where monies are owing without an acceptable payment arrangement has been concluded. No further debt may be allowed to accumulate during the contract period.
- (c) Tender conditions must include a clause allowing the municipality to deduct any monies owing to the municipality from the monies owing to the company/supplier in terms of the tender.

7.8 Collection Costs

7.8.1 All costs for legal procedures, including interest, fines, termination of service, costs and legal costs with regard to customer care or credit control, where applicable, will be debited to the account of the consumer and must reflect the actual costs involved.

7.9 Prepaid Meter System

7.9.1 The municipality will use the prepaid meter system for :-

- (a) the provision of electricity as a means of pre-purchasing electricity units;
- (b) to block the purchase of pre-paid electricity units in terms of customers who's accounts are in arrears in respect of rates, water, sanitation, refuse removal and sewerage for a period of more than 30 days.

8. DEBT COLLECTION POLICY

8.1 AIM

To make provision for measures and procedures for the collection of all arrears owing to the municipality emanating from the provision of services and annual levies in order to ensure the financial sustainability of the municipality and service delivery in the best interests of the community.

8.2 Personal Contact

8.2.1 Personal/telephonic/ Agent interaction

- (a) The municipality, or its agent, shall strive to, within the confines of affordability, contact all arrear debtors so as to encourage them to pay and to inform them of their arrear status and their legal rights regarding making a payment arrangement, applying for indigent assistance or any other mechanism available as from time-to-time.

- (b) Such contact, between the municipality or its agent and the debtor, is not a right to which the debtor is entitled and the collection of arrears through actions and measures will continue for whatever reason in the absence of such contact.

8.3 Service Interruptions

- 8.3.1 Consumers with arrear municipal accounts and who have not made payment arrangements with the municipality, will have their water, electricity and access to other municipal services disconnected, restricted or suspended.
- 8.3.2 The municipality reserves the right to deny or restrict the sale of electricity and/or water to debtors with rates and other service in arrears.
- 8.3.3 On the payment of arrears, including all fines, interest and penalties raised in terms of paragraph 8.3.4 and 8.3.5, or through the concluding of an acceptable payment arrangement, services will be resumed as soon as is humanly possible.
- 8.3.4 The cost of restricting or disconnection, including reconnection, will be determined by the tariffs as approved by the Council and will become due and payable by the consumer.
- 8.3.5 The deposit of a defaulter will be adjusted accordingly in accordance with the applicable policy of the Council.

8.4 Legal procedures

(Use of attorneys/Use of credit Bureaus)

- 8.4.1 Where a debtor is in arrears with his/her account, the municipality can institute legal proceedings against the debtor. These proceedings are not restricted to, but can include the following steps: final warnings; summonses; court proceedings; fines; attachment orders and as a last resort, a sale-in-execution.
- 8.4.2 The municipality must exercise strong control over the legal process so as to ensure accuracy and legality and will require regular reports reflecting progress made from the person in charge of the collections from whoever has been appointed by the Council to carry out the collections.
- 8.4.3 The municipality will agree on procedures and processes with such collection agents.
- 8.4.4 Administrative orders for persons who are employed will be preferable to sales-in-execution although both actions form part of the municipality's collection procedures.
- 8.4.5 All steps taken in the collection process will be recorded for the municipality's as well as the debtor's information.
- 8.4.6 All costs incurred in the collection process are for the account of the debtor.
- 8.4.7 Individual debtor's accounts are confidential and not for general public knowledge. Such information can, however, be made available to Credit Bureaus by the municipality. Such disclosure will be in the form of a written notification and protection of this info will be embodied in the agreement drawn up between the municipality and its customers.
- 8.4.8 The municipality may reconsider the cost effectiveness of this process and report to the executive committee on all aspects regarding this process.
- 8.4.9 On the recommendation of the Municipal Manager, Council may consider the use of agents and latest debt collection practises and products. Cost efficiency, the willingness of collection agents to work within the acceptable codes of conduct and the welfare of such agents and products will all form part of the agreement entered into by the Council.
- 8.4.10 Consumers will be informed of the powers and rights of collection agents as well as their responsibilities regarding codes of conduct.

- 8.4.11 Any agreement entered into between the Council and a collection agent must include a clause stating that any breach of any of the clauses of the agreement will result in such agreement being terminated.

8.5 Non-Collection Of Debts

- 8.5.1 The Municipal Manager must ensure that all avenues are pursued to collect all monies owing to the municipality.
- 8.5.2 There are circumstances, such as Section 109(2) of the Act where under collection processes can be suspended such as:-
- (a) When the debtor is declared insolvent and his/her estate does not have enough money to liquidate his/her debts;
 - (b) A balance that is so small as to make collection costs unviable;
 - (c) Where the Council is of the opinion that the debtor or group of debtors is/are not in a position to pay their debt.
- 8.5.3 An audit trail will be retained in all the above cases stating reasons why these monies are not being collected by the municipality.

9. PROVISION FOR BAD DEBT

- 9.1 The objective for the provision of bad debt is to make a realistic provision annually in the Revenue Budget to cater for charges raised in terms of the budget that cannot be collected.
- 9.2 The calculation of the provision for bad debt will be based on an extract of Council's debtors' book as at the last day of the financial year.
- 9.3 The extract of Council's debtors' book must reflect detailed ageing of the debt within the following debt categories:-
- (a) Debt per service; and
 - (b) Debt per type of debtor.
- 9.4 A provision for bad debt amount will be calculated in terms of each of the abovementioned categories and will be submitted to the Chief Financial Officer for consideration of the provision amount to be included in the Revenue Budget.
- 9.5 The provision for bad debt amount will be an accumulative expression of a percentage of the amount of the debt occurrence at a certain ageing category and an amount that represents an accumulation of individual debt amounts.
- 9.6 When calculating the provision for bad debt in terms of the debt per service category the following must be considered:-
- (a) The probability of the ageing of the debt.
 - (b) The payment trend of each of the services billed.
 - (c) The probability of recovery between the different types of services. The probability of recovering property rates versus the recovery of other services in the same ageing occurrence will be higher, as property rates is a tax and only prescribes after 30 (thirty) years in terms of relevant legislation.

- 9.7 When calculating the provision for bad debt in terms of the debt per type of debt category the following must be:-
- (a) The probability of the ageing of the debt.
 - (b) The debt as per the following debtor groups identified considered (note that the type of debtors that make up the groups below will be those as detailed in the financial management system at the time of the date extraction):-
 - (i) Domestic;
 - (ii) Business;
 - (iii) Government departments;
 - (iv) Municipal staff and Councillors;
 - (v) Other debtors.
 - (c) The debt on the following debt groups are to be excluded from the provision calculation, as the debt is deemed to be collectable:-
 - (i) Government departments;
 - (ii) Municipal staff and Councillors;
 - (d) The debt on the following debt groups are to be fully provided for in the provision calculation, as the debt is deemed to be not collectable:-
 - (i) Indigent debtors;
 - (ii) Debtors under administration;
 - (iii) Insolvent and liquidated estates;
 - (iv) Deceased indigent estates;
 - (v) Informal settlements;
 - (vi) Debt that has prescribed;
 - (vii) Uncollectable business debt after legal action;
 - (viii) Uncollectable domestic debt after legal action.
 - (e) The payment trend of each of the debtor groups.
 - (f) When determining the provision percentages on domestic debtors the demographics of the municipal area must be taken into account, as the probability of recovery of debt will be higher in the high income suburbs as compared to the recovery of debt in the low income suburbs.
- 9.8 The provision for bad debt is based on the likelihood of non-payment. In order to determine this likelihood of payment or not, each debtor needs to be evaluated separately and categorised based on the degree of payment expectancy.
- 9.9 The evaluation of a debtor is firstly based on payment history, prior to the effective date of provision and secondly on the payment history during the period immediately after the effective date of provision.
- 9.10 The evaluation process is discussed below:-
- (a) **Historical review**

- (i) Likely payers - All debtors, regardless of age or amount, who have made payments during each of the six payment periods/months prior to the effective date of provision, will be categorised as **debtors likely to pay** and no provision for bad debts will be made on these accounts.
 - (ii) Possible payers – All debtors, regardless of age or amount, who have made at least one payment within the six payment periods/months prior to the effective date of provision, will be categorised as **possible payers** and no provision for bad debts will be made on these accounts.
 - (iii) Likely not to pay – All debtors, regardless of age or amount, who have not made any payments during any of the six payment periods/months prior to the effective date of provision, will be categorised as **debtors unlikely to pay** and the full amount of the outstanding debt will be provided under the provision for bad debts.
- (b) **Current review**
- (i) Likely payers – All debtors, regardless of the categorisation under the historical review, who have made payments or signed an agreement to pay, during each of the payment periods/months after the effective date of provision, will be categorised as **debtors likely to pay** and no provision for bad debts will be made on these accounts.
 - (ii) Possible payers – All debtors previously categorised under (9)(a)(i) or (9)(a)(ii), who have made payments or signed an arrangement to pay, during any of the payment periods/months after the effective date of provision, will be categorised as **possible payers** and no provision for bad debts will be made on these accounts.
 - (iii) Likely not to pay (1) – All debtors previously categorised under (9)(a)(iii), who have not made payments during each of the payment periods/months after the effective date of provision, will still be categorised as **debtors unlikely to pay** and the full amount outstanding on their accounts will be provided under the provision for bad debts.
 - (iv) Likely not to pay (2) –All debtors previously categorised under (9)(a)(i) or (9)(a)(ii), who have made no payments during any of the payment periods/months after the effective date of provision, will also be categorised as **debtors unlikely to pay** and the full amount outstanding on their accounts will be provided under the provision for bad debts.

10. **SHORT TITLE**

This policy will be known as the Credit Control and Debt Collection Policy of the Modimolle Local Municipality.

2. **VIREMENT POLICY**

1. **PREAMBLE**

The Modimolle Local Municipality strives to manage its resources diligently. The municipality therefore is moving away from the traditional approach of appropriating/approving budgets by line item.

2. **VISION**

To be a municipality that manages its budget in terms of the latest legislation and updated policies.

3. **MISSION**

To have a Virement policy in place that provide clear guidance to managers when and how to move funds between items, projects, programmes and votes.

4. **DEFINITIONS AND ABBREVIATIONS**

4.1 **Definitions**

(i) ***Accounting officer***

The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA.

(ii) ***Approved budget***

Means an annual budget approved by a municipal council.

(iii) ***Budget-related policy***

Means a policy of a municipality affecting or affected by the annual budget of the municipality.

(iv) ***Chief financial officer***

Means a person designated in terms of the MFMA who performs such budgeting and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.

(v) ***Capital budget***

This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods.

(vi) ***Council***

Means the council of a municipality referred to in section 18 of the Municipal Structures Act.

(vii) ***Financial year***

Means a 12 month year ending on 30 June.

(viii) ***Line item***

An appropriation that is itemized on a separate line in a budget adopted with the idea of a greater control over expenditures.

(ix) ***Operating budget***

The Municipality's financial plan, which proposes expenditures for the coming financial year and estimates the revenues used to finance them.

(x) ***Ring fenced***

An exclusive combination of line items grouped for specific purposes for instance salaries and wages.

(xi) ***Service delivery and budget implementation plan***

Means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services its annual budget and the Integrated Development Plan

(xii) **Virement**

Is the process of transferring an approved budget allocation from one operating line item of capital project to another, with the approval of the relevant Manager. To enable the budget managers to amend budgets in the light of experience or to reflect anticipated changes.

(xiii) **Vote**

Means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amounts that is appropriated for the purposes of the department or functional area concerned.

4.2 Abbreviations

- | | | | |
|----|--------------|---|---|
| 1. | CFO | - | Chief Financial Officer |
| 2. | IDP | - | Integrated Development Plan |
| 3. | MFMA | - | Municipal Finance Management Act No 56 of 2003 |
| 4. | MLM | - | Modimolle Local Municipality |
| 5. | SDBIP | - | Service delivery and budget implementation plan |
| 6. | CM | - | Council Minute's |
| 7. | EXCO | - | Executive Committee |

5. LEGAL FRAMEWORK

Constitution of RSA.

Municipal Systems Act no 32 of 2000.

Municipal Finance Management Act no 56 of 2003.

Municipal Budget and Reporting Regulations. GG32141 of 2009

National Treasury: MFMA Circular No 13 – Service Delivery and Budget Implementation Plan.

National Treasury: MFMA Circular No 51 – Municipal Budget Circular for 2010/11 MTREF.

6. SCOPE OF APPLICATIONS

The policy is applicable to all employees and Councillors of Modimolle Local Municipality.

7. OBJECTIVE

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

8. PRINCIPLES

- 8.1 Virements should not be permitted in relation to the revenue side of the budget;
- 8.2 Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management (e.g. the management of central insurance funds and insurance claims from separate votes);
- 8.3 Virements from the capital budget to the operating budget should not be permitted;
- 8.4 Virements towards personnel expenditure should not be permitted;

- 8.5 Virements to or from the following items should not be permitted: bulk purchases; debt impairment, interest charges; depreciation, grants to individuals, revenue foregone, insurance and VAT;
- 8.6 Virements should not result in adding 'new' projects to the Capital Budget;
- 8.7 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted; and
- 8.8 There should be prudent limits on the amount of funds that may be moved to and from votes and sub-votes

9. CONTENTS

9.1 Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable budget managers to amend budgets in the lights of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA).

9.2 Financial Responsibilities

- 9.2.1 Strict budgetary control must be maintained throughout the financial year in order that potential overspends and/or income under-recovery within individual vote departments is identified at the earliest possible opportunity (Section 100 MFMA).
- 9.2.2 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls (Section 24(4) MFMA).
- 9.2.3 It is the responsibility of each manager or head of department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA section 78 and 102.
- 9.2.4 A copy of all budget transfer forms must be kept in the virement file, together with any supporting workings/e-mails by the Divisional Manager Budget and Reporting
- 9.2.5 Request for transfers of fund shall be done beforehand and not afterwards. In the case where the expenditure is authorized afterwards, the actions of the S57 manager will have to be condoned by Council. The council will have to consider the provisions of the MFMA regarding Unauthorized Expenditure and Irregular Expenditure.

9.3 Virement Restrictions

- 9.3.1 No funds may be transferred between votes without approval of both vote holders and the CFO and the Municipal Manager and Council.
- 9.3.2 A Virement may not create new policy, significantly vary current policy, or alter the approved outcomes/outputs as approved in the IDP for the current or subsequent years. (Section 19 and 21 MFMA)
- 9.3.3 Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustment budget to the Council with altered outputs and measurements for approval (MFMA Circular 13 page 3 paragraph 3)
- 9.3.4 No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior ap-

- proval of the Council.(This refers to expenditure such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines)
- 9.3.5 No virement may be made where it would result in over expenditure.
(Section 32 MFMA)
- 9.3.6 No virement shall add to the establishment of the Municipality without the approval of Municipal Manager.
- 9.3.7 If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- 9.3.8 Virements may not be made in respect of ring-fenced allocations. E.g. this means virements may not be made from personnel expenditure to other operating expenditure and vice versa.
- 9.3.9 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework is not permitted.
- 9.3.10 Budget transfers to or from the following items are not permitted: bulk purchases, debt impairment, interest charges, salaries, support service (interdepartmental) costs, capital financing, depreciation, contributions, insurance and VAT.
- 9.3.11 No virement may be made to entertainment votes or for catering above what was originally budgeted.
- 9.3.12. Virements may not exceed a maximum of 10% of the line item on the approved capital expenditure budget.
- 9.3.13 Virements may not exceed a maximum of 15% of the line item on the approved operating expenditure budget.
- 9.3.14 Virements in capital budget allocations are only permitted within specified action plans and not across funding sources.
- 9.3.15 No virements shall create new capital projects without approval of Council.
- 9.3.16 Virements from the capital budget to the operating budget are not permitted.
- 9.3.17 No virements are permitted in the first three months or the final month of the financial year without the express agreement of the CFO and the Municipal Manager and then only in extreme circumstances.
- 9.3.18 Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets (Section 30 MFMA).
- 9.3.19 An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.
- 9.3.20 Virements are not permitted in relation to the revenue side of the budget.

9.4 **Breakdown Of Votes**

For the purpose of the capital and operating budget, the following is classified as votes:

Executive and Council
Budget and Treasury
Social Services
Corporate Services
Technical Services
Planning Department
And any other department as may be approved by Council.

9.5. **Virement Procedure**

- 9.5.1 All virement proposals must be completed on the appropriate documentation and forwarded to the Divisional Manager Budget and Reporting for checking, after which it is submitted to the CFO and MM for approval and the back to the Divisional Manager Budget and Reporting for implementation.
- 9.5.2 All virements must be signed by the Manager within which the vote is allocated. (Section 79 MFMA)
- 9.5.3 A virement form (Budget Transfer Form) must be completed for all Budget Transfers.
- 9.5.4 All virements require the recommendation of the CFO and the Approval of the Municipal Manager. (Section 79 MFMA)
- 9.5.5 All virements must include changes to the SDBIP, especially on the capital works plan of projects.
- 9.5.6 All documentation must be in order and approved before any expenditure (including the order) can be committed or incurred.(Section 79 MFMA)

9.6 Delegations on Capital Budgets

A Capital Budget is approved per line items or per project. This in effect means that council does not allow any discretion to an official other than delivering on the decision. Any saving or shortfall must be reported to council for them to decide on the future utilization of the savings as well as to seek additional funds for the execution of a project in the case of a shortfall in the budgeted amount to complete the project. If however, a transfer is needed between two projects within the same priority/department and the transfer is less than 10% of the voted, this can be done with the approval of the Municipal Manager.

9.7. Delegations On Transfers

A vote in terms of the National guidelines is determined as one of the main segments into which a budget of a municipality is divided into for the appropriation of funds. In MLM, a vote is a Department in the operating and capital budget and the Municipal Manager can only be delegated to approve shifting of funds within a department. As far as the reallocation of funds between departments is concerned, it cannot be delegated and Council has to decide on these items in the Adjustment Budget annually.

10. IMPLEMENTATION

This policy will be implemented and become effective once recommended by the EXCO and approved by Council.

11. COMMUNICATION

This policy will be communicated to all Municipal Councilors and managers using the full range of communication methods available to the municipality.

12. BUDGET AND RESOURCES

The financial and resource implications will be considered as a in house expenditure

13. ROLES AND RESPONSIBILITIES

- 13.1 The line manager requesting the budget transfer complete Page 1 of the Budget Transfer Form obtained from the Divisional Manager: Budget and Reporting and submit to the manager for recommendation.
- 13.2 The Divisional Manager: Budget and Reporting process the applications by verifying the vote numbers and budgets available.
- 13.3 The form goes to the CFO for approval
- 13.4 After the CFO approved the application the MM gives the final approval.
- 13.5 The Divisional Manager: Budget and Reporting captures the application on the financial system.

14. RECORD KEEPING

All Budget Transfer Forms will be filled in the Budget and Reporting Office.

15. DISPUTE RESOLUTION

Any dispute arising from the application for a Virement will be referred to the CFO.

16. PENALTIES

Non-compliance to any of the stipulation contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

17. POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

18. ANNEXURES

Budget transfer form.

3. INVESTMENT POLICY

1. PREAMBLE

The purpose of the policy is to ensure that all investments made by Modimolle Local Municipality (MLM) comply with the Investment Regulations issued by National Treasury in terms of the Municipal Finance Management Act No 56 of 2003.

Council needs to ensure that monies not immediately required are invested to obtain fair returns without compromising provision of basic municipal services, the safety of the surplus cash invested and liquidity.

2. OBJECTIVE

The objectives of the policy are as follows

- Ensuring that cash resources are managed effectively and efficiently.
- Ensuring that investments are placed with reputable institutions for the purpose of capital investments and diversification of the Investment Portfolio.
- Ensuring that adequate liquidity is maintained at all times for management of cash flows.
- Ensuring that MLM receives optimal interest on its investments with financial institutions at minimal risk.

3. SCOPE OF APPLICATION

This policy is applicable to the Council, Accounting Officer, Chief Financial Officer and employees of MLM who have been delegated with the authority by the Accounting Officer to invest the funds of MLM.

This policy will also be applicable to any investment manager who acts on behalf of, or assists MLM or municipal entity in managing its investments.

4. DEFINITIONS

- | | | |
|-------------------------|---|--|
| Accounting Officer | - | Municipal Manager of MLM |
| Chief Financial Officer | - | A person designated in terms of section 80(2)(a) of the MFMA |
| Councillor | - | Member of MLM Municipal Council; |
| Delegation | - | In relation to a duty, includes an instruction or request to perform or to assist in performing the duty; |
| Investment | - | In relation to funds of a municipality, means—
(a) the placing on deposit of funds of a municipality with a financial institution; or
(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds; |

Investment manager	-	A natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, No 55 of 1989, and Stock Exchanges Control Act, No 1 of 1985, contracted by MLM to: - advise on investments; or - manage investments on its behalf. Investment Regulations-The Regulations as prescribed under the MFMA through Government Gazette No 27431 dated 1 April 2005
Liquidity	-	The financial ability of MLM to service its debts when falling due.
Long-term investment	-	Any cash or liquid securities owned by MLM which have a maturity date that is greater than one year.
MFMA	-	The Local Government: Municipal Finance Management Act, No 56 of 2003
Municipal Manager	-	A person appointed by the Municipality in terms of Section 82 of the Municipal Structures Act, and who is the Head of Administration and also the Accounting Officer for the Municipality.
Primary bank account	-	A bank account referred to in section 8(1) of the MFMA;
Short-term investment	-	Any cash or liquid securities owned by MLM which have a maturity date that is equal to or less than one year.
Standards of Generally Recognized Accounting Practice –		An accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;
MLM	-	Modimolle Local Municipality as established in terms of the Municipal Structures Act 117 of 1998.

5. LEGISLATIVE REQUIREMENTS

In terms of MFMA section 7(3), a municipality may not open a bank account—

- (a) abroad;
- (b) with an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990); or
- (c) otherwise than in the name of the municipality.

In terms of MFMA Section 13:

- (1) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must—
 - (a) conduct their cash management and investments; and
 - (b) invest money not immediately required.
- (2) A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1).

National Treasury, through Government Gazette No 27431, published Municipal Investment Regulations, which municipalities were required to apply as guidelines when preparing a Cash Management and Investment Policy with effect from 1 April 2005.

6. AUTHORITY

In terms of MFMA section 10

- (1) The accounting officer of a municipality—
 - (a) must administer all the municipality's bank accounts, including a bank account referred to in section 12 or 48(2)(d);
 - (b) is accountable to the municipal council for the municipality's bank accounts;
- (2) The accounting officer may delegate the duties referred to in subsection (1)(c) to the municipality's chief financial officer only.

In terms of MFMA section 11(1), only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts for cash management and investment purposes in accordance with section 13;

The delegation to the Chief Financial officer or any other senior financial officials of the municipality will be in terms of Section 79 of the MFMA and Section 59 of Local Government: Municipal Systems Act No 32 of 2000.

The Municipal Council is vested with the authority to make long-term investments in terms of Section 48 of the MFMA.

7. STANDARD OF CARE TO BE EXERCISED

Investments –

- a) must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs;
- b) may not be made for speculation but must be a genuine investment, and
- c) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality or municipal entity and lastly to the probable income (yield) derived from the investment.
- d) Investments must be placed with institutions listed in paragraph 8 below.

8. PERMITTED INVESTMENTS

The following are permitted investments:

- a. securities issued by the national government,
- b. listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency,
- c. deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990),
- d. deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984),
- e. deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984),
- f. banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990,
- g. guaranteed endowment policies with the intention of establishing a sinking fund,
- h. repurchase agreements with banks registered in terms of the Banks Act, 1990,
- i. municipal bonds issued by a municipality, and
- j. any other investment type as the Minister may identify by regulation in terms of section 168 of the MFMA, in consultation with the Financial Services Board.

9. INVESTMENTS DENOMINATED IN FOREIGN CURRENCIES PROHIBITED

An investment can only be made if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

10. PAYMENT OF COMMISSION

- i. No fee, commission or other reward may be paid to a councillor or official or to a spouse or close family member of such councillor or official in respect of any investment made.
- ii. If Council pays any fee, commission or other reward to an investment manager in respect of any investment made, both Council and the investment manager must declare such payment to council by way of a certificate disclosing full details of the payment.

11. PROCEDURES FOR INVESTING FUNDS

- a) Quotations should be obtained from at least 3 financial institutions for the term for which the investment is placed. In the event of one of the financial institutions offering a more beneficial rate for an alternative term, the other institutions should be invited to quote on the alternative term as well.

- b) Upon maturity of an investment, the bank balance is obtained. Future commitments are determined and any money in excess of **R 10 million** that is not required immediately should be invested.
- c) Investments should be reinvested within 24 hours after maturing.
- d) Written quotations must be obtained from the list of qualified institutions. Interest rates from one institution may not be disclosed to another institution.
- e) The period of investment should be determined in accordance with the liquidity needs and maturity dates of other investments.
- f) The investments of MLM should be spread over multiple qualified institutions as a method of decreasing exposure risk.
- g) The factors taken into account when deciding on an investment thus is the liquidity needs of MLM ensuring that the investment maturity dates are spread over time, the interest rates of various institutions and the total amount invested with the various qualified institutions.
- h) The quotation sheet must be authorized by the Chief Financial Officer or Municipal Manager.
- i) Once an investment is made a certificate or written confirmation must be obtained from the financial institution.
- j) the following functions must be carried out on a monthly basis or as the investment matures:
 - I. Obtain statements on a monthly basis regarding the investments from the relevant financial institutions.
 - II. Interest must be recalculated so as to ensure that it agrees to the rates per the statements.
 - III. Interest received must be captured on the financial system and reconciled to the investment register and general ledger.
 - IV. The investment register must be updated on a monthly basis.

12. PROCEDURES FOR WITHDRAWING INVESTMENTS

- a) The councils liquidity needs must be assessed by the Chief Financial Officer before any investments are withdrawn.
- b) Only the accounting officer or the chief financial officer of the municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorize the withdrawal of money from any investment account.
- c) The financial institution must be informed in writing, on a MLM letterhead, with the following information on it:
 - I. The financial institutions name and address
 - II. The investments number.
 - III. The amount being withdrawn.
 - IV. The effective date.
 - V. The signatures of the authorized officials.
- d) All investments being withdrawn must be paid into the primary bank account of MLM.

13. REPORTING REQUIREMENTS

- 1. The Municipal Manager must within 10 working days of the end of each month, as part of the section 71 report required by the MFMA, submit to the Mayor a report describing in accordance with generally recognized accounting practice (GRAP) the investment portfolio as at the end of the month.
- 2. The report referred to in sub-paragraph 10.1 must set out at least –
 - (a) the market value of each investment as at the beginning of the reporting period,
 - (b) any changes to the investment portfolio during the reporting period,
 - (c) the market value of each investment as at the end of the reporting period, and
 - (d) fully accrued interest and yield for the reporting period.

3. A register of investments is kept in the Budget & Treasury Office reflecting the following information:

- (a) Date of investment
- (b) Amount of investment
- (c) Institution invested with
- (d) Rate of interest
- (e) Period of investment
- (f) Amount of return/interest
- (g) Maturity Date

4. This register is to be reconciled monthly and reported on.

- 4.1 In complying with Section 70(2) of the MFMA, the Chief Financial Officer must report to National/Provincial Treasury and Council whenever the consolidated bank balances shows a net overdrawn balance for a period exceeding 14 working days.

Such report must provide:

- (a) The amount by which the accounts are overdrawn
- (b) Reasons for the overdrawn accounts, and
- (c) Steps taken or to be taken to correct the situation.

14. CREDIT REQUIREMENTS

- (1) Council must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in paragraph 5, to ensure that it places its investments with institutions permitted in paragraph 8 above. .
- (2) Council must -
 - (a) regularly monitor its investment portfolio, and
 - (b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating.

15. PORTFOLIO DIVERSIFICATION

Council will take all reasonable and prudent steps to diversify its investment portfolio across institutions, types of investment and investment maturities.

16. INVESTMENT MANAGER/ADVISOR

An investment advisor who is appointed through MLM Supply Chain Management Policy may be used for investments exceeding R 20 million. However, the institution and type of investments must be approved by Council.

17. MISCELLANEOUS PROVISIONS

- (1) The responsibility and risk arising from any investment transactions vests in Council.
- (2) All investments made must be in the name of Modimolle Local Municipality.
- (3) Council may not borrow money for the purpose of investment.

18. IMPLEMENTATION

This policy must be implemented by the Chief Financial Officer and employees of MLM who have been delegated with the authority by the Accounting Officer to invest the funds of Modimolle Local Municipality.

Any employee who breaches this policy shall be liable for disciplinary measures.

19. EFFECTIVE DATE

This policy will be effective from the date approved by Council.

4. ASSET MANAGEMENT

PURPOSE

The purpose of this policy is to ensure the economic, efficient and effective control, utilisation, safeguarding and management of Council's assets. This policy significantly revises the existing policy dated 14 February 2008. The significant revision arises from the following developments:

- The intention of the Modimolle Municipality to implement and comply with Standards of Generally Recognised Accounting Practice (GRAP) for the 2008/09 financial year. For the purpose of this revised policy, the applicable standard is GRAP 17 and to some extent GRAP 16.
- The intention to comply with the Asset Transfer Regulations as contained in National Treasury Gazette Number 31346 issues on 22 August 2008.

BACKGROUND

Constitutional And Legal Framework

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objects:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages (its fixed) assets is central to meeting the above challenges. Accordingly, the Municipal Systems Act (MSA) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal assets with the Municipal Manager.

The Occupational Health and Safety Act (OHSA) requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its assets safe.

Accounting standards

The accounting standards that apply to municipalities are in transition. The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice. The Accounting Standards Board (ASB) has approved a number of Standards of Generally Recognised Accounting Practice (GRAP) which replaced the Generally Accepted Municipal Accounting Practice (GAMAP).

GRAP 17 on Property, Plant and Equipment is the critical accounting standard that provides guidance on the recognition, measurement, presentation and disclosure of items of PPE in the financial statements of municipalities and municipal entities. Other related standards are Grap 12 and 16 on Inventories and Investment Property, respectively.

Key changes include the recognition of depreciation of assets as an expense, and grants as revenue. A Government Grants Reserve, Donations and Public Contribution Reserve and Capitalisation Reserve need to be established, based on the source of funding of assets. Immovable assets need to be unbundled and each significant component is individually recognised and accounted for. In cases where there is an active and liquid market for assets (such as offices and vehicles) valuation is on a market basis, whereas specialised buildings (such as community facilities) and infrastructure (such as a water supply network) are valued using a depreciated replacement cost. Significant changes in the value of property, plant and equipment over time need to be reflected through periodic revaluation. Modimolle Municipality intends converting to GRAP in the 2008/09 financial year. As a low capacity municipality certain transitional provisions will apply when implementing the relevant GRAP standards that deal with assets.

MANAGEMENT OF INFRASTRUCTURE ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rands.

Key themes introduced in national legislation relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation for the above objectives to be achieved. The IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing ongoing changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality, including infrastructure, community services, financial planning, and corporate services.

DPLG has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads etc). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructures. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immovable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

OBJECTIVES

The objective of this policy is for the municipality to:

- implement accrual accounting in terms of prevailing accounting standards; and
- apply asset management practice in a consistent manner and in accordance with legal requirements and recognised good practice.

APPROVAL AND EFFECTIVE DATE

The Municipal Manager is responsible for the submission of this document to Council to consider its adoption. Council shall indicate the effective date for implementation of the policy.

KEY RESPONSIBILITIES

Municipal Manager

In terms of Section 63 of the MFMA, the Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

The Municipal Manager shall ensure that:

- An Asset Management Committee is established, through which all asset processes and procedures will be implemented.
- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standards of generally recognised accounting practice (GRAP);
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The Senior Managers and their teams comply with this policy.

As Accounting Officer of the municipality, the Municipal Manager shall be the principal custodian of all the municipality's fixed assets, and shall be responsible for ensuring that this policy is effectively applied on adoption by Council. To this end, the Municipal Manager shall be responsible for the preparation, in consultation with the CFO and Senior Managers, of procedures to effectively and efficiently apply this policy.

Chief Accounting Officer

The Chief Financial Officer (CFO) is responsible to the Municipal Manager to ensure that the financial investment made in the municipal assets is safeguarded and maintained.

The CFO, as one of the Senior Managers of the municipality, shall also ensure, in exercising his/her financial responsibilities, that:

- Appropriate systems of financial management and internal control are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- All revenue due to the municipality is collected, for example rental income relating to assets;
- The systems, procedures and registers required to substantiate the financial values of the municipalities' assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Senior Managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- This policy and support procedures are established, maintained and effectively communicated.

The CFO may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed. The CFO shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained. No amendments, deletions or additions to the fixed asset register shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Asset Management Committee

The Asset Management Committee (AMC) shall ensure that:

- The policy and procedures are adhered to and reviewed annually.
- The Committee meets at least monthly to review and monitor the status of assets in the municipality at strategic, institutional, operational and financial levels.

Senior Managers

Senior Managers (the managers directly accountable to the Municipal Manager) shall ensure that:

- Appropriate systems of physical management and control are established and carried out for all fixed assets;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- Procedures are adopted and implemented in conformity with this policy to produce reliable data to be captured into the municipal asset register;
- Any unauthorised, irregular or fruitless or wasteful utilisation, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management system, processes and controls can provide an accurate, reliable and up to date account of assets under their control;
- They are able to manage and justify that the asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives; and
- Manage the asset life-cycle transactions to ensure that they comply with the plans, legislative and municipal requirements.

The Senior Managers may delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring these activities are performed.

POLICY AMENDMENT

Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the Municipal Manager in consultation with the CFO and respective Senior Managers. These recommendations shall be considered for adoption by Council.

RELATIONSHIP WITH OTHER POLICIES

This policy, once effective, will replace the pre-existing Asset Management Policy.

This policy needs to be read in conjunction with other relevant policies of the municipality, including the following adopted documents:

- Delegations Register
Identifying the processes surrounding the establishment of delegated authority.
- SCM policy
Regulating all processes and procedures relating to acquisitions, management and disposal of assets
- Budget policy
The processes to be followed during the budget process as well as pre-determined prioritisation methodology,
- Revenue and tariff policy
Identifying tariff setting methodology
- Accounting Policy
Governed by the Accounting standards, the accounting policy determines the basis for recognition, measurement and recording of all transactions.

REFERENCES

The following references were observed in compiling this document:

- Asset Management Framework, National Treasury, 2004
- Municipal Asset Transfer Regulations, Gazette 31346 issued 22 August 2008
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Disaster Management Act, 2002
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18, 36 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)

- Generally Recognised Accounting Practice (1-14, 16, 17, and 100-102).
- Generally Accepted Municipal Accounting Practice (GAMAP 17)
- International Accounting Standards (IAS 16)

5. INDIGENT POLICY

(a) PREAMBLE

Where as the municipality commit to provide support to the indigents households. The committee will be appointed to administer the indigent support programme. This committee will assist in scrutinising each application prior to approval.

(b) OBJECTIVES

To ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

(c) DEFINITIONS

In this policy a word or phrase to which a meaning has been assigned in **Section 1.0 on definitions** has that meaning, unless the context otherwise indicates.

(d) WHO QUALIFIES FOR INDIGENT SUPPORT

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed R2 300, or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6kl of water per month and 75kWh of electricity per month free of charge.

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charges (see part 3 below), the registered indigent must be the full-time occupant of the property concerned, may not own any other property, whether in or out of the municipal area.

For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

Indigence relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.

To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at places determined by the council, but shall generally be undertaken during January and/or February each year.

(e) APPLICATION OF THE POLICY

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy up to 6kl per household per month will apply; however, if consumption exceeds 6kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6kl.

In respect of electricity, a 100% subsidy up to 75kWh per household per month will apply; however, if consumption exceeds 75kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 75kWh.

In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 50% on the monthly amount billed for the service concerned.

In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.

(f) NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigence relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

The onus is on each registered indigent to advise the municipal manager of such failure to comply.

It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them. The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- Any tempering with the installations of the municipality is detected.

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigence relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigence relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

Indigence relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

(g) REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the executive mayor or executive committee, as the case may be, for the month concerned and by municipal ward:

- The number of households registered as indigents and a brief explanation of any movements in such numbers;
- The monetary value of the actual subsidies and rebates granted;
- The budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

The executive mayor or executive committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees if so requested.

6. TRAVELING ALLOWANCE POLICY

1. SCOPE OF APPLICATION

This policy is applicable to all qualifying employees and Councilors of Modimolle Local Municipality who attends events away from their normal place of work.

This policy provides for the claim for travelling allowance, Accommodation reimbursement for Travel and Subsistence.

Provide for the amount that can be claimed and the relevant categories of Officers thereof.

2. OBJECTIVES

A policy that is fair towards both Council and the employee and is primarily focused to compensate the employee for travel expenditure.

The basis of compensation and benefits in respect of employees who utilize private transport in the execution of their official duties, where no official transport is available and/or where arrangements have been made with an employee to utilize private transport for official purposes.

to reimburse employees for real and reasonable expenses incurred for travelling to and attending municipal related events away from the place of work.

To have a budget, trained staff, rules and guidelines for the application, approval, control, payment and recording of S & T claims. pay-

3. DEFINITIONS

Any word or phrase used has the same expression as used in the applicable legislation.

Subsistence	:	relating to food, shelter and clothing.
Subsistence Allowance	:	an amount of money paid by the Employer to a delegate to cover defined expenses.
Expenses made for	:	accommodation and meals Incidental expenses
Incidental expenses	:	Refreshments Snacks Porter's fees Dry Cleaning Urgent official telephone calls
Travelling allowance	:	an amount of money paid by the Employer to a delegate to cover defined travel related expenses.
Expenses made for Council's vehicle	:	Kilometer travelled Tollgates paid Parking fees Emergency repairs Fuel, oil, brake fluid etc.
Scheme A	:	There rates are to be used by all officials taking part in Scheme A of the Subsidized Motor

		Transport scheme where government contributes towards the capital, insurance
Fixed transport allowance	:	means a fixed monthly transport allowance applicable to incumbents of post level 1,2,3 on the permanent service register of the Municipality.
An allowance bearing position	:	means a position, other than referred to in paragraph 3.1, on the permanent service of the Municipality to which a fixed monthly transport allowance is attached after Council has declared such a position by means of formal Council Resolution.
“Engine capacity”	:	for purpose of this policy will be calculated at actual engine capacity to a maximum of 3500 cc.
“Fixed cost”	:	means the tariff in cents per kilometer as determined by the salary notch of the official concerned, calculated at the SARS tariff and will change on an annual basis when employee salary increases.
Official distance	:	means the distance in kilometers travelled for official purposes by an employee in Council's employment, excluding distances between place of work and residence.
Running cost	:	means tariff in cents per kilometer travelled by employees as per SARS tariff table. i. Cost of fuel in relation to the vehicle's engine capacity ii. Maintenance cost iii. Tyres The tariff shall be revised as and when it is adjusted by the SARS.
“Day”	:	means working day in the service of the Municipality.
Private transport	:	represents that private vehicle used by an employee for official purposes as indicated in writing by the employee on the day the employee qualifies for a fixed monthly transport allowance.

4. **LEGAL FRAMEWORK**

- Basic Conditions of Employment Act 75 of 1997
- South African Revenue Services Act 34 of 1997
- Conditions of Service / Main Collective Agreement
- Municipal Finance Management Act 32 of 2000

5. CONTENTS

5.1 SUBSISTENCE ALLOWANCE

All approved and delegated officials attending to matters of Council outside the Municipal Jurisdictional area shall be entitled to an allowance for subsidy as follows

- (a) Where food, i.e. breakfast, lunch and dinner **is not supplied**:

Breakfast	=	R120, 00 per day
Lunch	=	R120, 00 per day
Dinner	=	R200, 00 per day

5.2 DAILY ALLOWANCE

- (b) Where food i.e. breakfast, lunch and dinner is supplied, an amount of **R150, 00 per day**, if the member is not required to sleep over.

- (C) Where food i.e. breakfast, lunch and dinner an amount of **R200, 00 per day** if the official is required to sleep over.

Breakfast	:	claimable from 6am – 9am
Brunch	:	claimable from 10am – 11am
Lunch	:	claimable from 12am – 14H00
Dinner	:	claimable from 18H00 – 21:00

For claim to be paid proof in a form of invoice/till slip must be submitted.

5.3 TRAVELLING ALLOWANCE

ROAD TRANSPORT

- (a) In a situation where a municipal vehicle is used, no claim shall be paid, except for unforeseen circumstances, such as breakdowns, re-fuelling, etc. No traffic offence ticket will be paid unless it can be proven that there is no negligence on the part of the drivers.
- (b) In a situation where a private vehicle is used a claim for the actual kilometers travelled shall be paid in accordance with the following Tariff Structure:
- (c) Officials receiving travelling allowance - Department of Transport tariffs (Private tariffs) section 54 & 56 Managers and SARS tariffs for Post level 1A and Lower
- (d) Officials not receiving travelling claim - SARS tariffs SARS tariffs (Private tariffs)

(e) The Manager shall make all attempts to make a municipal vehicle available to the delegate who does not own a subsidized vehicle to reduce the costs to Council before the delegate can be permitted to use private vehicle.

(f) In the case of Public Transport, the cost of the taxi shall be regarded as a benchmark for all claims. Since majority of taxi operators do not issue payment tickets, reasonable amount should be paid to the claimants.

(a) No claim for toll fees, parking, general public transport will be paid unless the official concerned submits the original with his or her claim forms.

(h) No claim for travel expenses shall be paid where any three of the following documents are not attached:

- Trip authority
- Invitation or HR5 Form
- Attendances register or
- Log sheet.

5.4 **Applicants invited to interviews:**

(a) Persons invited to interviews shall be reimbursed at the SARS running cost rate.

(b) Where public transport is used taxi tariffs are applicable.

5.5 **AIR TRANSPORT**

(a) Every attempt shall be made to reduce travel costs by comparing the cost advantage of using alternative transport mode. For the purpose of this policy, the following destinations shall be regarded as far enough to justify air transport; Kwa Zulu Natal, Free State, Eastern Cape, Western Cape, Northern Cape.

(b) The choice of flight has to bear emphasis on **safety and comfort.**

(c) Delegates should at all times be booked into **ECONOMIC CLASS.**

(d) Interviewees invited to interviews will be reimbursed for the cost of economic class.

5.6 **HIRED CARS**

Delegates who used air transport but are attending the same event will be entitled to 1 (one) hired car with rental classification of Group B.

Travelling arrangements are subject to the normal traveling arrangements of the municipal councilors and managers.

5.7

ACCOMMODATION

(a) The cost of hiring a hotel or lodge accommodation shall be borne by the municipality for all official delegations with the maximum amount per night:

National = 3 star

International = at the rate of the hotel or lodge accommodation applicable

- (b) Where no accommodation is booked for the delegate, an amount of **R500, 00 per night excluding food is payable.**
- (c) Interviewees who slept over for attending interviews because of distance shall be paid the cost of the accommodation with the **maximum being R500,00 per person per night.**
- (d) accommodation will only be booked if the place of destination approved is 150km or more and were the meeting or cause of action starts before 10:00 am the official/ councilor maybe booked a day prior to the meeting and if the meeting is after 10:00 am the official or councilor must be booked from the day of the meeting if is going to last for more than a day.
- (e) if it is in practical for an official or councilor to travel were the destination or place of meeting is less than 150km and the meeting will last for more than two (2) days then, upon approval by the Head of department or Municipal Manager the official or councilor may be booked for those days.

5.8

LIMITATION ON THE NUMBER OF VISITS

- (a) It is imperative that Councillors and Officials attend the conferences, seminars, meetings, workshops, etc that have relevance to their own portfolio.
- (b) Limitations on this aspects is difficult, however, the Mayor, Municipal Manager and the Managers should ensure that the necessary voted amounts are not exceeded.

6.

MOTOR VEHICLE ALLOWANCE

6.1 GRANTING OF VEHICLE ALLOWANCE

Municipality no longer offer subsidy but travel allowances. The employee will be expected to enter into agreement with any dealer of their choice.

This granting of vehicle allowance is subject to the following conditions and Limitations:

1. QUALIFYING REQUIREMENTS

- Vehicle allowance are granted to employee whose employment contracts make provision for this purpose and incumbents of transport allowance bearing post only that is all section 54 & 56, Divisional Managers and Traffic Officers. Consequently, employees receiving casual or ad hoc transport allowance do not qualify for vehicle allowance.

2. VEHICLE CHOICE

- With due regard to the limitations contained in this policy, the choice of vehicle to be purchased by an employee for daily use in the execution of his/her official duties, rests with the employee.
- The purchase of second-hand vehicle is subject to the issue of roadworthy certificates.
- Proof of registration/Ownership certificate must be submitted to Human Resources, failure to submit proof travelling allowance shall not be paid.

7. PARKING AND TOLLGATE

Parking and Tollgate cost are reimbursive and the delegate has to supply proof of payment to finance.

If an official or Councilor have to travel overseas or outside the borders of South Africa the Council must approve all expenses to be incurred.

8. REQUIREMENTS FOR PARTICIPATION

Participation is dependent on the primary requirement that the use of a private vehicle will be more beneficial than the provision an official vehicle. Employee must furthermore comply with the following requirements for participation, namely:

- 8.1 The use of transport solely by the employee must be necessary for the execution of the duties by the relevant employee.
- 8.2 A private vehicle must be available on a daily basis for official use;
- 8.3 all employees who doesn't qualify for motor vehicle allowance shall upon approval by the Municipal Manager use his/her own private vehicle and shall be compensated in terms of ad hoc transport allowance.
- 8.4 participation in the policy is thus determined and limited by cost advantages and economical consideration. It is therefore the responsibility of the Municipality to determine to what extent private transport shall be utilized for official purposes.

9. CLASSIFICATION OF TRANSPORT ALLOWANCE

For classification purpose, the following two types of transport allowance are identified:

- Fixed monthly transport allowance
- Temporary or occasional transport allowance (Ad hoc)

9.1 A FIXED TRANSPORT ALLOWANCE

This allowance is intended for the following positions on the permanent service register of the Municipality and will be paid monthly to the employee.

- Post level 1A = 950km p/m
- Post level 1 = 850km p/m
- Post level 2 = 750km p/m
- Post level 3 = 650km p/m
- Post level 4 and lower = 450km p/m
- All Traffic Officers irrespective of Post level shall qualify for 850km p/m

A fixed monthly transport allowance consists of the following elements:

- A fixed financing and insurance allowance
- A running allowance
- That the fixed cost be calculated on 10 000 km per year for all employees who receive an allowance.
- The fixed monthly transport allowance for the basic distance allocated to the positions mentioned above is paid monthly to an employee irrespective of kilometres travelled for official purposes. For all kilometres travelled for official purposes, the employee must be compensated in accordance with the tariff for running cost for the actual distance travelled, over and above his/her fixed monthly transport allowance.

9.1.1 That no official transport is provided to such incumbents

9.1.2 That residence to place of work journeys do not form part of the allowance.

9.1.3 That all other requirements contained in this policy are complied with.

9.1.4 That where circumstances justify or require that the restrictions contained in Section 5.17.8 of the Scheme be amended, it must be done by means of Municipal Managers approval.

9.1.5 Council will pay travelling allowance on all approved trips.

10. **TEMPORARY OR OCCASIONAL TRANSPORT ALLOWANCE (AD HOC TRANSPORT ALLOWANCE)**

Ad hoc transport allowance are payable in the following cases:

10.1 Where temporary or casual official journeys are undertaken by employees using their own private transport and who are not in receipt of transport allowance.

10.2 Where an employee is on an approval official journey for Council.

11. **DETERMINATION OF DISTANCES**

11.1 **Current or New Applications (Job level 2 and lower)**

The following procedure will apply in the determination of a fixed total monthly kilometre distance in respect of an application by an employee to declare his/her post "An allowance bearing position".

- The employee in the specific position must maintain a daily official kilometre distance return (log sheet) for a period of 3 months for all official journeys. This log sheet must be approved by the

Departmental Manager concerned. The kilometers travelled in such period must be divided by three to determine an average monthly official kilometer distance and rounded off to the nearest 50km.

- New application to Municipal Manager must be lodged by way of a motivated report by the manager of the Department concerned.
- Should Municipal Manager approve the application, the date of implementation shall be the first of the month following the date of approval.
- During the period as contemplated in clause 5.17.11.1, the employee will be reimbursed by way of an Ad hoc transport allowance as depicted in Clause 5.17.13.2.2

12. CURRENT BENEFICIARIES OF A TRANSPORT ALLOWANCE

The following procedure will apply in the re-determination of the fixed total monthly kilometre distance in respect of an employee currently in receipt of a transport allowance:

- 12.1 should Council or the incumbent of a transport allowance bearing position require a re-determination of the fixed total monthly kilometre distance connected to a position, a written notice must be given to the particular Department Manager. Immediately after the expiring of seven days of serving such notice, the particular employee must continue to maintain a log book of all official journeys for a period of three months.
- 12.2 the log sheet must be approved by the relevant Department Manager. The kilometres travelled in such period must be divided by three to determine an average monthly official kilometre distance rounded off to the nearest 50 km.
- 12.3 The application must be lodged by way of a motivated report to Municipal Manager by the Department Manager concerned.
- 12.4 Should Municipal Manager approve a new km limit, the date of implementation shall be the first of the month following the date of approval.

13. CALCULATIONS OF THE TRANSPORT ALLOWANCE

13.1 Basis of Compensation

- Sec 54 & 56 Councillors = Department of Transport tariffs
- Employee = SARS tariffs
-

13.2 Formula for Calculation

13.2.1 Fixed transport allowance

Will be determined from:

A= monthly transport allowance

B= the total fixed cost as reflected and maintained by SARS in the tables

for “Estimated average fixed cost” under 14 000 km column an consists of the following

- Fixed cost of the vehicle as per definition, (clause 5.17.3) and
- Running cost of the vehicles as per definition, (clause 5.17.3)

C= the fixed total monthly kilometre distance as per this policy or as determined by the Municipality.

13.2.2 Temporary or Occasional Transport (Allowance Ad hoc).

An Ad hoc transport allowance for employees receiving travel allowance must be paid once a month with their salaries for actual kilometres travelled for official purpose during that month, and calculated according to the new formula.

An Ad hoc transport allowance for employees not receiving travel allowance must be paid twice monthly (7th and 25th) for actual kilometres travelled for official purpose during that month, and calculated according to the following formula:

$$A = BXC$$

Where

A= the Ad hoc transport allowance

B= Running cost of the vehicles as per definition, (clause 5.17.3)

C= the actual distance travelled in the execution of official duties.

14. SUSPENSION OF TRANSPORT ALLOWANCE

- 14.1 Should an employee, who is occupying an allowance bearing position, be transferred at his/her own request to another position not bearing any transport allowance, no transport allowance shall be payable from the date of transfer.
- 14.2 Should the Municipality decide to withdraw an employee's travel allowance for reasons other than those set out in clause 5.17.14.1, the Municipality must, after consultation with such an employee, give 6 months written notice of the withdrawal of the travel allowance.

15. TRAVEL ALLOWANCE AMOUNT

The maximum amount, which an employee may be subsidised, a vehicle is limited to 100% of the employee's annual salary excluding annual bonus and any allowance, with the exception of the Municipal Manager and the Section 54 & 56 employees.

16. VEHICLE AVAILABILITY

It shall be required of the employee receiving a motor vehicle allowance to avail and make use of the vehicle at all times except when circumstances are beyond the control. The employee who cannot use his vehicle must disclose the reasons thereof to his/her supervisor. In such circumstances the Municipality will avail the Council vehicle for the maximum period of three months and the employee will forfeit his/her travel allowance for such period.

17. TRAVEL FOR COUNCILLORS

Travel Allowances and Reimbursement for Travel

17.1 Travel Allowances

- All Councillors receive a total remuneration package from the municipality that includes a travel allowance of not more than 25% of the annual remuneration package.
- A councillor has the discretion and may include a travel allowance in the total remuneration package.
- A councillor that elected to include a travel allowance within the total remuneration package structure, must meet the following requirements:
 - The travel allowance may only be an amount up to 25% of the total remuneration package;
 - A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometres travelled;
 - The travel allowance will be included in the IRP5 of a councillor for purposes of accounting to SARS.
 - On Income Tax Assessment, a councillor must account to SARS for the use of the travel allowance.

17.2 Reimbursement Allowance for Travel

- In addition to the travel allowance, as provided for under 5.17.17.1 above, a Councillor may claim for the official distances travelled from the municipality.
- Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.

18. OFFICIAL BUSINESS TRAVEL

18.1 Official Business related travel is travel for any purpose that directly relates to the business or job of a councillor and excludes travelling between the place of residence and ordinary place of work or business.

18.2 For the purpose of calculating official business travel the following shall be applicable for Councillors (be applied to either local or district municipality):

(a) Local Municipalities

- Full-time councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct;
- Part-time Promotional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct, unless deployed to a specific ward.
- Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that particular ward.
- Part-time Ward Councillors shall have their ordinary place of business at their representative wards (ward office/home).

19. QUALIFICATION REQUIREMENTS OR ENTITLEMENT TO A REIMBURSEMENT FOR TRAVEL

- A travel reimbursement may only be extended to councilors that have included the travel allowance within the total remuneration package structure.
- All travel on business of the Municipality must be approved as such before a councilor is entitled to claim for the travel reimbursement.
- A councilor will be reimbursed, in accordance with the kilometers tariff prescribed by the Department of Transport, for official business travel with their private vehicles.
- A travel reimbursement claim must be supported by proof of such travel and related documents.

No travel claim will be paid, and no councilor will be entitled to the reimbursement, if the travel is not related to the official business of the Municipality.

20. PROCESS FOR TRAVEL REIMBURSEMENT

- 20.1 The duly prescribed claim form must be fully completed by a councillor.
- 20.2 The prescribed form must be submitted, within predetermined dates, to the Finance Department or the duly delegated official to be considered for reimbursement after approval by the speaker.
- 20.3 All claims will be reimbursed or paid with the next salary of such a councillor.
- 20.4 A claim for a travel reimbursement must be supported by:
- A logbook acceptable to SARS recording the official kilometres travelled in a defined month.
 - Any relevant supporting documentation.

21. IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once recommended by the Local Labour Forum and approved by Council.

5.17.22 COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

5.17.23 BUDGET AND RESOURCES

The financial and resource implication/s related to the implementation of this Policy should be qualified and quantified.

5.17.24 RECORD KEEPING

All documentation and correspondence emanating from or relating to this policy will be kept on personal files or records office files as dictated by the nature of the issue.

5.17.25 DISPUTE RESOLUTION

Any dispute arising from this policy referred to Council.

5.17.26 NON-COMPLIANCE

Non-compliance of any of the stipulations contained in this policy will be viewed as misconduct and will be followed up by an investigation and disciplinary actions as outlined in the Municipal Code of Discipline.

5.17.27 REVIEW

This policy will be reviewed and amended on an annual basis or each time any Act or Conditions of Service or other agreements deem it necessary. All proposed amendments will serve before the Local Labour Forum for recommendations and the Council for approval.

7. RATES POLICY

1. PREAMBLE

This policy must be implemented to give effect to the following listed Legislative Provisions:

- (i) Section 3 of the Local Government: Municipal Property Rates Act (No 6 of 2004);
- (ii) Section 229(i)(a) of the Constitution of the Republic of South Africa of 1996 (No 108 of 1996);
- (iii) Section 4(1)(C) of Local Government Municipal Systems Act of 2000 (Act 32 of 2000);
- (iv) Section 62(1)(F)(ii) of the Local Government Municipal Finance Management Act of 2003 (Act 56 of 2003).
- (v) Section 155(6), 156(1)(b) and 156(2) of the Constitution of South Africa of 1996 (Act no 108 of 1996)
- (vi) Section 2,3,6, 17 and 23 of the Local Government: Municipal Systems Act of 2000 (Act 32 of 2000)
- (vii) Section 12 & 18 of the Local Government: Municipal Structures Act of 1998 (Act 117 of 1998)
- (viii) Land tenure rights in terms of the Communal Rights Act of 2004 (Act No 11 of 2004)
- (ix) Section 10 of the National Environmental: Protected Areas Act of 2003 (Act 57 of 2003)
- (x) Section 30 read with Part 1 of Schedule 9 of the Income Tax Act of 1962 (Act No 58 of 1962)
- (xi) Schedule 2 & 3 of the Public Finance Management Act of 1999 (Act No 1 of 1999)
- (xii) Communal Property Associations Act of 1996 (Act 28 of 1996)
- (xiii) Provision of Land and Assistance Act of 1993 (Act No 126 of 1993)
- (xiv) Restitution of Land Rights Act of 1994 (Act No 22 of 1994)
- (xv) A trustee in the case of a property in a trust excluding state trust land
- (xvi) An executor or administrator, in the case of property in a deceased estate.
- (xvii) A trustee or liquidator in the case of property in an insolvent estate or in liquidation.
- (xviii) A judicial manager, in the case of property in the estate of a person under judicial management
- (xix) A curator in case of property in the estate of a person under curatorship
- (xx) A usufructuary or other person in whose name a usufruct or other personnel servitude is registered, in the case of property that is subject to a instruct or other personal servitude.
- (xxi) A lessee, in the case of a property that is registered in the name of the municipality and is leased by it or
- (xxii) A buyer, in the case of a property that was sold by a municipality and of which procession was given to the buyer pending registration of ownership in the name of the buyer.
- (xxiii) in such scheme according to the quota as registered in the scheme.

The municipality need a reliable source of revenue to provide basic services and perform its functions. Property rates are the most important source of general revenue for the municipality. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plan (IDP's) and municipal budgets.

Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the integrated Development Plans (IDPs) and budget processes, which a municipality invites communities to input prior to municipal council adoption of the budget.

2. DEFINITIONS

“**Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)

“Agricultural Purposes” in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.

“annually” means once every financial year

“Business” means the activity of buying, selling or trading in goods and / or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

“exemption” in relation to the payment of a rate means an exemption granted in terms of clause 9 of the policy.

“Industrial” means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved.

“Mining” means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;

“Multiple use properties” means properties that cannot be assigned to a single category due to different uses.

“Municipal properties” means those properties of which the municipality is the owner.

“Municipality” means the municipal council for the municipal area of Modimolle.

“Newly rateable property” means any rateable property on which property rates were not levied by 30 June 2005, excluding a property that was incorrectly omitted from a valuation roll and for that reason was not rated before that date.

“owner” means a person in whose name ownership of the property is registered, a person in whose name the right is registered or whom it was granted in terms of legislation, the organ of state which owns or controls that public service infrastructure.

Provided that any natural person or legal entity in anyone of the under mentioned capacities may for the purpose of these policy be regarded by the municipality as the owner of the property in the following cases and /or capacities-

- (a) a trustee, in the case of a property I a trust excluding State Trust land;
- (b) an executor or administrator, in the case of property in a deceased estate;
- (c) a trustee or liquidator, in the case of property in an insolvent estate or in liquidation
- (d) a judicial manager, in the case of property in the estate of a person under judicial management
- (e) a curator, in the case of property in the estate of a person under judicial management
- (f) a usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of property that is subject to a usufruct or other personal servitude;
- (g) a lessee, in the case of a property that is registered in the name of the municipality and is leased by it; or

(h) a buyer, in the case of a property that was sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“property” means:

- (a) Immovable property registered in the name of a person, including in the case of a sectional title scheme, a sectional title unit registered in the name of a person
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation
- (d) Public service infrastructure

“Protected area” means an area that is or has to be listed in the register referred to in Section 10 of the National Environmental Management: Protected Areas Act, 2003, Biodiversity Act, 2004.

“Public Service Infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

“rate” means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution of 1996

“rateable property” means property on which a municipality may in terms of Section 2 of the Property Rates Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the said Act.

“rebate” means a discount in the amount of the rate payable of the property granted in terms of Clause 11 of these policy.

“reduction” means the following of the amount for which the property was valued and the rating of the property at that lower amount granted in terms of Clause 10 of the policy.

“Residential” means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and under taking, hostel and place of instruction.

“sectional title scheme” means a development scheme in terms of which sections in such development or an undivided share wherein may be acquired by an owner as contemplated in the Sectional Titles Act

“sectional title unit” means a unit as define in Section 1 of the Sectional Title Act of 1986

Sectional Title Unit in terms of the Sectional Title Act of 1986 (Act 95 of 1986) means a sectional that could be privately owned as well as the common areas and exclusive rights areas.

Sectional Title Scheme in terms of Sectional Title Act of 1986 (Act 95 of 1986) a person may acquire ownership in separate sectional title units built on one property as well as an undivided share in the common areas on such property within the development scheme. Such development scheme may differentiate between common areas and exclusive.

“State-owned properties” means properties owned by the State, which are not included in the definition of public service infrastructure in the Act. These state-owned properties are classified as follows:

- (a) State properties that provide local services.
- (b) State properties that provide regional/municipal district-wide/metro-wide service.
- (c) State properties that provide provincial/national service.

“Vacant land” means a land where no immovable improvements have been erected.

NB: All other terms are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

3. OBJECTIVES

The purpose of this policy is to regulate the power of a municipality to impose rates on property.

To determine categories of rateable properties.

To exclude certain properties from rating in the national interest.

To implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

To make provision for fair and equitable valuation methods on properties.

To make provision for an objections and appeals process.

To assist in building economically and financially viable municipality which will meet the service delivery priorities of their communities.

To impose rates policy that supports and encourage economic growth and job creation.

4. POLICY PRINCIPLES

4.1 Rates are levied in accordance with the Local Government Municipal Property Rates Act of 2004 (Act 6 of 2004) as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and Supplementary Valuation Rolls.

4.2 The rates policy for the municipality is based on the following principles:

- (a) **Equity** : The municipality will treat all ratepayers with similar properties the same.
- (b) **Affordability** : The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent, the municipality will provide relief measures through exemptions, reductions or rebates in terms of the indigent policy.
- (c) **Sustainability** : Rating of property will be implemented in a way that:
 - (i) it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality and;
 - (ii) Supports local, social and economic development
- (d) **Cost efficiency**: Rates will be based on the value of all rateable property and the amount required by the municipality to finance the expenditure as per approved budget.

4.3 The calculation of property rates will be determined as follows: e.g.

- o The financial liabilities for municipal property rates are calculated by multiplying the market value of immovable property (e.g. land and buildings) by a cent amount in the Rand that a municipal council has determined. For example:
 - If the market value of immovable property (land and buildings) is R50 000,00 and the cent amount in the Rand is R0.015 (which is 1.5 cent) then
 - Amount due for property rates = $R50\,000,00 \times 0.015 = R750$ for the whole year which means that every month the property owner will pay R62,50 (this is calculated by dividing R750,00 by 12 as the year has 12 months) to the municipality.
 - If the immovable property in question is used as a residential property (home) or if it is used for multiple purposes, provided one or more of its components are used for residential purposes.
 - The cent amount in the Rand will be paid after deducting the first R15 000,00 of the market value of such residential property including agricultural properties where owners resides on the property, which means that the R0.015 will be applied to R35 000,00 rather than R50 000,00 (i.e. R50 000,00 less R15 000,00).
 - The rates payable by the homeowner and agricultural owners or farm owners will then be $= R35\,000,00 \times 0.015 = R525$ for the whole year, which means that every month the property owner will pay R43,75 to the municipality.

NB: The cent amount in the Rand is decided by the Municipal Council taking into account public comments/submissions/inputs on the Municipal Council's draft rates policy and budget that is subjected to the process of community participation in line with Chapter 4 of the Municipal Systems Act and the Municipal Finance Management Act.

5. CATEGORIES OF PROPERTIES

5.1 The municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.

5.2 The municipality has determined categories of properties based on the following criteria:

- Use of the property.

The following are the determined categories of properties by the municipality:

- Single Residential properties
- Multiple Residential Properties (security villages, golf estates and blocks of flats)
- Business & Commercial properties
- Industrial properties
- Mining properties
- Public service infrastructure properties
- Public Benefits Organisation properties
- Agricultural properties used for agricultural purposes including game farming and hunting.
- State-owned properties:
 - (i) State properties that provide local services
 - (ii) State properties that provide regional/municipal district-wide/metro-wide service
 - (ii) State properties that provide provincial/national service
- Municipal properties
- Protected area properties
- Multiple use properties
- Vacant land

5.3 Organisations providing services to themselves e.g. (Kokanje Retirement Resort)

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and the Executive Committee of the municipality, make provision for the following classification of services:

(a) Trading services:

- (i) Water
- (ii) Electricity

(b) Economic services:

- (i) Refuse removal
- (ii) Sanitation

(c) Community services

i) Air pollution
ii) Fire fighting services
iii) Local tourism
iv) Municipal planning
v) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law

- vi) Storm water management system in built-up areas
- vii) Trading regulations
- viii) Fixed billboards and the display of advertisements in public places
- ix) Cemeteries
- x) Control of public nuisances
- xi) Control of undertakings that sell liquor to the public
- xii) Township development
- xiii) Facilities for accommodation, care and burial of animals
- xiv) Fencing and fences
- xv) Licensing of dogs
- xvi) Licensing and control of undertakings that sell food to the public
- xvii) Local amenities
- xviii) Local sport facilities
- xix) Municipal parks and recreation
- xx) Municipal roads
- xxi) Noise pollution
- xxii) Animal Pounds
- xxiii) Public places
- xxiv) Street trading
- xxv) Street lighting
- xxv) Traffic and parking
- xxvi) Building control
- xxvii) Licensing of motor vehicles and transport permits
- xxvii) Nature reserves
- xxix) Forestry

(d) Subsidised services

- (i) Health and ambulance
- (ii) Libraries and museums
- (ii) Proclaimed roads

6.2 Trading and economic services must be ring fenced and financed from service charges while community and subsidized services will be financed from profits on trading and economic services, regulatory fees, rates and rates related income.

6.3 Expenditure will be classified in the following categories:

- (a) Salaries, wages and allowances
- (b) Bulk purchases
- (c) General expenditure
- (d) Repairs and maintenance
- (e) Capital charges (interest and redemption)/depreciation
- (f) Contribution to fixed assets
- (g) Contribution to funds-
 - (i) bad debts
 - (ii) working capital; and
 - (iii) statutory funds
- (h) Contribution to reserves
- (i) Gross expenditure
- (j) Less charge-out
- (k) Net expenditure
- (l) Income
- (m) Surplus/Deficit

6.4 Cost centres will be created to which the costs associated with providing the service can be allocated-

- (a) by Department
- (b) by Section/service; and
- (c) by Division/service

6.5 The subjective classification of expenditure each with an unique vote will be applied to all cost centers.

7. DIFFERENTIAL RATING

7.1 Criteria for differential rating on different categories of properties will be according to:

- nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.

vacant land will be rated higher (in terms of a cent amount in a rand) as the municipality is encouraging owners of vacant land to develop it and that vacant land should not be used for speculation purposes by owners.

- promotions of social and economic development of the municipality.
- differential rating among the various categories will be done by way of setting different cent amount in the rand for each property category.
- by way of reductions and rebates.

8. CATEGORIES OF OWNERS FOR GRANTING EXEMPTIONS, REBATES AND REDUCTIONS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the:

- (a) indigent financial status of the owner of a property;

- (b) sources of income of the owner of a property
- (c) owners of property situated within an area affected by-
 - i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii) any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties who are *bona fide* farmers

9. **EXEMPTIONS**

9.1 The following categories of property are exempted from rates:

- (a) Municipal properties: Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers and thereby create double-taxation.
- (b) Residential properties: All residential properties with a market value of less than R35 000 are exempted from paying rates. The R15 000 impermissible rates contemplated in terms of Section 17(1)(h) of the Property Rates Act is included in the R35 000 amount. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty. Including properties build under the National Housing Subsidy Scheme for the poor.

NB: The following are exempted:

- Indigent owners
 - Owners dependent on pension or social grants for their livelihood
 - Owners of residential property under R35 000,00.
- (c) Cemeteries and crematoriums: Registered in the names of private persons and operated not for gain.
 - (d) Public Service Infrastructure: organisations exempted from paying rates as they provide essential services, goods, services or labour.
 - (e) Public Benefit Organisations: the following public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No. 58 of 1962):
 - (i) Health care institutions: Properties used exclusively as a hospital, hospice, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provide that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
 - (ii) Welfare institutions: Properties used exclusively as a orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or the charitable purposes within the municipality.
 - (iii) Educational institutions: Property belonging to educational institutions declared or registered by law and are used solely for educational purposes.

- (iv) Independent schools: Property used by registered independent schools for educational purposes only.
- (v) Charitable institutions: Property belonging to non-for-gain institutions or organizations that perform charitable work.
- (vi) Sporting bodies: Property used by an organization whose sole purpose is to use the property for sporting purposes on a non-professional basis.
- (vii) Cultural institutions: Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- (viii) Museums, libraries, art galleries and botanical gardens: registered in the name of private persons, open to the public and not operated for gain.
- (ix) Youth development organizations: Property owned and/or used by organizations for the provision of youth leadership or development programmes.
- (x) Animal welfare: Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.
- (xi) Religious organizations: Property owned or used by religious organizations whose exclusive aim is religious orientated.

9.2 Exemptions will be subject to the following conditions:

- (a) pension or social grant proofs including an affidavit lodged with the municipality annually.
- (b) all applications must include a constitution of the organization and be addressed annually in writing to the municipality.
- (c) a SARS tax exemption certificate must be attached to all applications;
- (d) the municipal manager or his/her nominees (committee) must approve all applications;
- (e) applications must reach the municipality before the end of October preceding the start of the new municipal before the new municipal financial year for which relief is sought; and
- (f) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

Duty of Property Owner

A property owner whose property falls under the category of properties eligible for tax/rebates shall inform the Municipal Council of the status of such property.

10. REDUCTIONS

10.1 A reduction in the municipal valuation as contemplated in Section 15(1)(b) of the Act will be granted where the value of a property is affected by:

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
- (b) any other serious adverse social or economic conditions.

- 10.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.
- 10.3 All categories of owners can apply for a reduction in the rates payable as described above.

11. REBATES

11.1 Categories of property:

(a) Business, commercial and industrial properties:

(i) The municipality may grant a rebate of 20% to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy.

The following criteria will apply:

- (a) permanently employ more than twenty (20) workers with South African citizenship for at least a continuous period of twelve (12) months, and the salaries/wages are strictly in terms of the minimum standards set by the Department of Labour;
 - (b) social upliftment of the local community; and
 - (c) creation of infrastructure for the benefit of the community
- (ii) Rebates will be granted on application subject to:
- (a) a business plan issued by the directors by the 30th of September each year, of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - (b) a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - (c) an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
 - (d) a municipal council resolution

(b) State properties:

Receive a rebate of 20%.

(c) Residential properties:

The municipality grants a 20% rebate, which applies to improved residential property that is:

- (i) used predominantly for residential purposes, with not more than two dwelling units per property;
- (ii) registered in terms of the Sectional Title Act;
- (iii) owned by a share-block company;

(iv) a rateable residence on property used for a related to educational purposes

(d) Agricultural property rebate:

The following rebates will apply:

a) The extent of municipal services provided to agricultural properties:

- i) 7,5% rebate, if there are no municipal maintenance to roads servicing the property
- ii) 7,5% rebate, if there is no municipal sewerage to the property.
- iii) 7,5% rebate, if there is no municipal electricity to property.
- iv) 20% rebate, if water is not supplied by the municipality.
- v) 7,5% rebate, if there is no refuse removal that is provided by the municipality.

b) The contribution of agriculture to the local economy:

A rebate of 5% will be granted to agricultural property owners contributes to job creation and the salaries / wages are strictly in terms of the minimum standards set by the Department of Labour (i.e. standards set by Government or if in line with sectors average)

c) The following rebates will be granted to the extent to which agriculture assists in meeting service delivery and development obligations of the municipality and contributions to the social and economic welfare of farm workers:

- i) 5% rebates, if the owner is providing permanent residential property to the farm workers and such property is registered in the name of these farm workers, proof must be provided or if the owner is providing housing which qualifies under Labour Legislation.
- ii) 5% rebate if the farmer for the farm workers electrifies such residential property
- iii) 5% rebate, if such residential properties are provide with potable water.
- iv) 5% rebate, if the farmer is availing his land/buildings to be used for either cemetery, education or recreational purposes of the farm workers' and their family and nearby community in general, etc.

A further 5% rebate will apply for the following:

(i) Qualifying requirements are that the owner should be taxed by SARS as a farmer and the last tax assessment must be provided as proof;

or

(ii) where the owner is not taxed as farmer, proof is required that income from farming activities exceeds 40% of the household income;

or

- (iii) registered as taxpayer with SARS, registered VAT with SARS, registered for UIF (and or Compensation Commissioner) for farm workers. Registered numbers to be supplied by farmer.

11.2 Categories of owners:

a) Retired and Disabled Persons Rate Rebate

- i) Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- a) occupy the property as his/her normal residence
- b) be at least 60 years of age or in respect of a disability, be receiving a pension from the Department of Welfare and population Development;
- c) be in receipt of a total monthly income from all sources (including income of spouses of owner) not exceeding R5 700;
- d) not be the owner of more than one property;
- e) if the owner of property owns more than one property, he/she qualifies for rebate on one property only, other criteria being met; and
- f) provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.

- ii) property owners must apply on a prescribed application form for a rebate as determined by the municipality.

- iii) Applications must be accompanied by-

- a) a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
- b) sufficient proof of income of the owner and his/her spouse;
- c) an affidavit from the owner;
- d) if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
- e) if the owner has retired at an earlier stage, for medical reasons, proof thereof must be submitted

- iv) These applications must reach the municipality before the end of October preceding the start of the a new municipal financial year for which relief is sought.

- v) The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

12. COST TO THE MUNICIPALITY DUE TO EXEMPTION REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND BENEFIT THEREOF TO THE LOCAL MUNICIPALITY

Information within the following format shall be submitted to Council on an annual basis to report on the related cost to Council:

(a) Costs associated with exemptions, reductions, rebates, exclusions and phasing in of rates:

(1) Exemptions	R
Municipal properties	_____
Residential properties	_____
Cemeteries and crematoriums	_____
Public Service Infrastructure	_____
Public benefit organizations	_____
(2) Reductions	
Properties affected by disaster	_____
Properties effected by serious adverse	_____
Social or economic conditions	_____
(3) Rebates Enterprises that promote local, social and economic development	
State properties	_____
Residential properties and disabled persons	_____
(4) Phasing in newly rateable property land reform	
Beneficiaries	_____
(5) Exclusions	
Public Service infrastructure	_____
Protected areas	_____
Land reform beneficiary	_____
Residential property	_____
Public places of worship	_____

- (b) The benefit to the community of granting relief measures will be:
 - (i) The promotion of local economic development including attracting business investment e.g. small business establishment
 - (ii) creation of employment for municipal residents
 - (iii) promotion of service delivery e.g. farmers
 - (iv) poverty alleviation to the indigents
 - (v) social development and moral development e.g. by religious institutions, sports institutions, schools and other non governmental organizations which promote health and other benefit to the community and
 - (vi) improved local economic growth

13. RATES INCREASES/DECREASES

- (a) The following will be taken into account for purpose of increasing/decreasing account rates:
 - Priorities of a municipality reflected in its Integrated Development Plan.
 - Revenue needs of the municipality.
 - Need for management of rates shocks.
 - Affordability of rates to ratepayers.
- (b) The municipality will consider increasing or adjusting rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (c) Rate increases and/or adjustments will be used to finance the operating costs of community and subsidized services.
- (d) Relating to community and subsidized services the following annual adjustments will be made:
 - i) All salary and wage increases as agreed at the South African Local Government Bargaining Council and in terms of the remuneration of Public Office Bearers Act; as amended;
 - ii) An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds; and
 - iii) Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (e) Affordability of rates to ratepayers.
- (f) All increases and adjustments in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

14. NOTIFICATION OF RATES

(a) The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.

(b) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

15. PAYMENT OF RATES

- 15.1 Ratepayers may choose between paying rates annually in advance with one instalment on or before the 15th of August of each year or in the twelve equal instalments on or before the fifteenth day of the month following on the month in which it becomes payable.
- 15.2 Interest on arrears rates, whether payable on or before the 15th of August or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policies of the municipality.
- 15.3 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.
- 15.4 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act.
- 15.5 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 15.6 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

16. ANNUAL REVIEW OF RATES POLICY

The municipality will annually review, and if necessary amend its rates policy taking into account public comments and inputs.

17. THE EFFECTIVE DATES OF THE RATES POLICY

The rates policy takes effect from the start of the municipal financial year 1 July 2008 and thereafter on the 1st of July of every year.

ADDENDUM

LEGAL REQUIREMENTS THAT ALL MUNICIPALITEIS MUST COMPLY WITH IN TERMS OF THE MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO 6 OF 2004) WITH REGARD TO RATES POLICY DEVELOPMENT

This addendum does not contain all provisions of the Act that must be complied with the development of rates policy, but list just a few key provisions that the municipality deems it necessary for residents / ratepayers to be aware so that they get full picture of rating issues that will affect them.

(1) IMPERMISSIBLE RATE

A Municipality may not levy a rate on the following in terms of Section 17(1) of the Act:

- o On the first R15 000,00 of the market value of public service infrastructure any part of the seashore in terms of Section 17(1)(b) of the Act.
- o Any part of the seashore in terms of Section 17(1)(b) of the Act.
- o Any part of the territorial waters of the Republic in terms of Section 17(1)(c) of the Act.
- o Any island which the state is the owner in terms of Section 17(1)(d) of the Act.
- o Protected areas in terms of Section 17(1)(e) of the Act.
- o Mineral rights in terms of Section 17(1)(f) of the Act.
- o Properties belonging to land reform beneficiaries in terms of Section 17(1)(g) of the Act.
- o On the first R15 000,00 of the market value of residential in terms of Section 17(1)(h) of the Act.
- o Religious Institutions in terms of Section 17(1)(i) of the Act.

(2) COMPULSORY PHASING IN OF CERTAIN RATES

Rates levied on a newly rateable property must be phased in over a period of three to four years depending on the ownership and use of such a property in terms of Section 21 of the Act. Agricultural land will be recognized as newly rateable property and phased in over a period of 3 years as provided for in the above-mentioned Act.

First year 75% of the relevant rate

Second year 50% of the relevant rate

Third year 25% of the relevant rate

(3) PRESCRIBED RATIOS

The municipality will comply with the ratios set by the Minister of Provincial and Local Government in concurrent with the Minister of Finance in terms of Section 19 of the Act.

(4) LIMITS ON ANNUAL INCREASES OF RATES

The municipality will comply with the notice issued by the Minister of Provincial and Local Government in concurrence with the Minister of Finance regarding the set upper limit on the percentage by which rates on properties or a rate on a specific property may be increased in terms of Section 20 of the Act.

8. PETTY CASH POLICY

1. PREAMBLE

This policy is issued under the authority of SCM Regulation 15 issued in terms of MFMA. It complements the SCM Policy and establishes a control framework for petty cash as an acquisition and payment instrument.

A petty cash float is used to facilitate and accelerate the processing of low value transactions with minor official expenditures. Minor expenditures are defined as less than R150 unless authorised by the CFO. Due to inherent costs and time required to process financial transactions, it becomes practical, economical and recommended to use petty cash to process low value payments where the transaction cost (e.g. electronic transfer or cheque costs) is high.

2. DEFINITIONS

A petty cash float is an authorised cash advance issued to an official the Modimolle Local Municipality who will be responsible for the security of the fund and the control of disbursements made from the fund.

3. SCOPE OF APPLICATION

This policy is applicable to all employees and Councillors of Modimolle Local Municipality.

4. POLICY OBJECTIVE

To ensure the cost-effective and efficient use of petty cash funds while maintaining the required level of control.

5. POLICY STATEMENT

- 5.1 It is Modimolle Local Municipality policy to use petty cash funds for making small miscellaneous payments herein called minor expenditure when immediate settlement is required or when this method of payment is more cost-effective.
- 5.2 A petty cash float shall not exceed R2,000 and no single expenditure from that fund shall exceed R150 per transaction without the prior approval of the CFO. The expenditure shall not be deliberately split to avoid the said limit.
- 5.3 The total mount of petty cash, in the form vouchers or cash, shall be counted (physical verification) in full at year end before closure of Revenue for the financial year and there should always be an amount equal to R 2,000. This is in line with the accrual basis of accounting.

6. PROHIBITED PETTY CASH PAYMENTS

- 6.1 Petty cash advances must not be used to provide change, to give salary advances to employees or to cash cheques.
- 6.2 No personal use or check cashing from these funds is allowed. It shall be deemed an offense to use Petty Cash for private matters even if the intention is to repay.

- 6.3 Petty cash shall not pay for installment invoices such as rental or equipment or open orders even if the amount falls within the limit specified.
- 6.4 Petty cash shall not be used for:
- Energy drinks (e.g. Red Bull)
 - Car wash
 - Catering (except snacks, e.g. cookies)
 - Personal gifts (e.g. cakes and flowers for birthdays)
 - Petrol charges
 - Toll gate slips
 - Travel or any other claims
 - Assets
- 6.5 Deviation from the accepted accounting practices in the use of Petty Cash shall constitute a serious offense under the Disciplinary Code.
- 6.6 Petty Cash float or advances shall be for immediate withdrawal from the individual's salary if not accounted for within 10 working days.

7. AUTHORITY AND REPORTING

- 7.1 The CFO or the delegated person must ensure the control and safekeeping of petty cash funds (including suitable locks, keys or combinations in accordance with the suitable cash handling regulations and policies.
- 7.2 Excesses, shortages, losses and thefts must be reported and recorded promptly to the CFO.
- 7.3 Reporting on the utilisation of the petty cash shall be reported to the CFO on a monthly basis.
- 7.4 The custodian of a petty cash fund shall give a reconciliation to the CFO within 5 working days of the end of each month in which expenditures are incurred by showing that the cash on hand plus receipts, less paid vouchers equals the amount of the advance.

8. MONITORING

- 8.1 The Municipal Manager may conduct internal audits to evaluate compliance with this policy.
- 8.2 Periodic unannounced verifications of the petty cash advances should be made by internal audit to determine whether the funds are being used properly and to ensure that they are adequately protected against loss or misuse and are properly accounted for.
- 8.3 The Municipal Manager will monitor the effectiveness of this policy by reviewing internal audit reports.

9. ACCOUNTING AND CONTROL

- 9.1 Petty cash must be used when it is more cost-effective than other payment methods such as electronic transfer or cheques within the ambit of this policy.

- 9.2 Before establishing or increasing petty cash funds, the Divisional Manager: Expenditure must ensure that the security and safekeeping arrangements are commensurate with the risk of theft and the size of the petty cash fund.
- 9.3 There must be only one official, with one backup, delegated by the CFO responsible for a petty cash fund at any given time. Only these two persons should be allowed access to the cash in this fund. When the official is being changed, an acknowledgement must be obtained.
- 9.4 When disbursements are not made frequently, the custodian should check the petty cash fund at least once a week to ascertain that no theft has taken place.
- 9.5 If a shortage is discovered, it must be reported promptly to the CFO who, after reviewing the circumstances of the case, shall take whatever corrective or recovery action is necessary.
- 9.6 The custodian is required to reimburse losses and shortages unless the prescribed procedures were followed and the petty cash was properly secured; there is physical evidence of breaking-in and no act or omission on the part of the custodian contributed to the loss, as stipulated by the policy.

10. **SAFEKEEPING AND ADVANCING OF THE PETTY CASH**

- 10.1 The petty cash fund should be kept separately from other funds and to be safeguarded in a lockable cash box which should be kept locked not only after hours but also during normal business hours in a safe or a filing cabinet approved by the CFO. Keys and combinations should be kept in a secure place by the custodian.
- 10.2 All purchase requirements utilising petty cash shall be approved by the relevant Senior Manager prior to issuing.
- 10.3 An official to whom a petty cash advance is issued is personally responsible and any loss or shortage in respect of that advance may be recovered from that individual.
- 10.4 A Petty Cash voucher will be required indicating the amount requested and the reason for the purchase and items to be purchased.
- 10.5 All expenditures must have a properly filled out petty cash voucher with original invoices or receipts attached. If it is not possible to get these supporting documents, clearly explain this on the voucher. Once paid, these supporting documents must be stamped "paid" to prevent re-use. No payment will be made for lost receipts or invoices.
- 10.6 Claims must be made within two weeks of the actual expenditure being incurred. Failure to claim within this period will result in the expenditure being forfeited.
- 10.7 Repayment of all or part of a petty cash advance that has to be reimbursed must be made in full by the custodian in a single payment.
- 10.8 When the official delegated by the CFO issues a petty cash advance, he or she may at any time, by written notice to the official to whom the advance has been made, require an accounting and repayment of any unexpended balance. The custodian shall, not later than 2 days after receiving such notice, provide an accounting and repay the advance.

10.9 Petty cash will be issued Mondays to Fridays between the hours of 8h00 to 15h00 and reconciliation of petty cash will take place every Friday afternoon.

10.10 Replenishment of the petty cash fund can be done by the delegated official when the fund balance reaches the minimum of R 400.

11. REFERENCES

This policy is issued under the authority of section 15 of SCM Regulations and should be read in conjunction with the Supply Chain Management Policy.

12. IMPLEMENTATION

This policy must be implemented by all employees and councillors of Modimolle Local Municipality, but managers and supervisors should ensure that this policy is implemented effectively.

Any employee who breaches this policy shall be liable for disciplinary measures. prescribed procedures were followed and the petty cash was properly secured; there is physical evidence of breaking-in and no act or omission on the part of the custodian contributed to the loss, as stipulated by the policy.